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ABSTRACT

This report contains economic and demographic facts related to immigration, but it does not advocate any position or ideology nor make any judgments about whether immigrants should receive government services. When possible, data are presented as graphs. A review of the facts makes it apparent that the rate of U.S. immigration in the 1990s is about one-third of the rate of immigration at the beginning of the century, although the total number of immigrants, including illegals, is about the same or less than the number then. The foreign-born population of the United States is 8.5% of the total population, significantly lower than the 13% or higher of the period from 1860 to 1930. It is also evident that immigrants do not increase the rate of unemployment among native Americans, even for minority, female, and low-skill groups. The effect of immigration on wages may be negative on some special groups, and positive on others, but overall it is small. Total per capita government expenditures on immigrants are much lower than on the native-born population, no matter how immigrants are classified. It is true that narrowly defined welfare expenditures for immigrants are slightly more than for natives, but these are only a fraction of total government expenditures on immigrants and natives. The educational levels of immigrants have been increasing, although there are no major shifts in educational levels of immigrants relative to natives. (Contains 21 figures, 10 tables, and 114 references.) (SLD)

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ED 399 323

IMMIGRATION

The Demographic and Economic Facts

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Dear Reader:

The Cato Institute and the National Immigration Forum have taken the initiative in bringing together more than 20 organizations to sponsor publication of a new report by Julian L. Simon entitled *Immigration: The Demographic and Economic Facts*, which we believe merits your attention.

By cooperating in the publication of this monograph, we hope to contribute to the ongoing discussion of immigration reform in the Congress and among interested organizations and individuals.

The report focuses on one of the most important long-run issues for the United States—the number of refugees and other immigrants the United States will admit.

The organizations listed on the front cover are happy to join in this effort. None of the groups agrees with everything in the report, but all agree with its general conclusions.

Acknowledgments

This compilation of facts about immigration draws upon various of my previous writings about immigration and population economics. I have not indicated which of the material has been previously in print, in the belief that this would be only an inconvenience to the general reader. Representatives of those writings are listed in the References section at the end.

I am grateful to the Cato Institute, the National Immigration Forum, David Boaz, Chris Brest, Helen Demarest, Stephen Moore, Frank Sharry, Jeanne Hill, David Lampo, and many others who assisted in getting this pamphlet into print in a timely fashion.

I hope that you find this work useful.

JULIAN L. SIMON
University of Maryland

Executive Summary

The following facts emerge from the data and material examined in this volume:

❖ **The rate of U.S. immigration in the 1990s is about one-third the rate of immigration at the beginning of the century.** The total number of immigrants—including illegals—is about the same as or less than the number then, though the country's population has more than doubled.

❖ **The foreign-born population of the United States is 8.5 percent of the total population,** which is significantly lower than the proportion—13 percent or higher—during the period from 1860 to 1930.

❖ **Immigrants do not increase the rate of unemployment among native Americans,** even among minority, female, and low-skill workers. The effect of immigration on wages is negative for some of these special groups and positive for others, but the overall effects are small.

❖ **Total per capita government expenditures on immigrants are much lower than those for natives,** no matter how immigrants are classified. Narrowly defined welfare expenditures for immigrants are slightly more than for natives, but this has been true in the past, too. These welfare expenditures are only small fractions of total government expenditures on immigrants and natives. Schooling costs and payments to the elderly are the bulk of government expenditures; natives use more of these programs, especially Social Security and Medicare.

❖ **The educational levels of immigrants have been increasing from decade to decade.** No major shifts in educational levels of immigrants relative to natives are apparent.

❖ **Natural resources and the environment are not at risk from immigration.** As population size and average income have increased in the United States, the supplies of natural resources and the cleanliness of the environment have improved rather than deteriorated. Immigration increases the base of technical knowledge. That speeds the current positive trends in both greater availability of natural resources and cleaner air and water.

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Introduction

This pamphlet contains only economic and demographic facts relevant to immigration, facts that may be helpful to persons of all opinions and interests in reaching conclusions about immigration policy. It aims to be entirely factual. It does not contain any advocacy or ideology, to the extent that this author can make it so.

The pamphlet makes no judgments about whether immigrants—legal or illegal—should obtain any goods or services from the government, or indeed, whether natives, or those who do not reside within the United States, should obtain any kinds of goods or transfer payments. These are value judgments, though the facts herein are relevant to such judgments. Nor does the pamphlet make any argument about whether more or fewer immigrants should be allowed to enter the United States, though it does contain facts about what may be expected economically if more or fewer immigrants enter. It also makes no comment about whether there should be greater or less enforcement of immigration laws. These are political and ethical judgments that each reader must make for herself or himself, though it is hoped that these judgments are made in light of the data presented here.

To increase the intellectual consensus on which the book rests, I have directly quoted other scholars as much as possible.

Wherever possible, the data are presented in graphs. The pictorial format is particularly helpful in portraying trends. Graphs provide historical perspective and protect us from being unduly swayed by a few recent data or by the occasional study that is inconsistent with the larger body of fact because of vagaries in data collection or analysis.

* * *

In the midst of the debate in 1985 about immigration legislation proposed by Senator Alan Simpson and Congressman Roman Mazzoli, I prepared *How Do Immigrants Affect Us Economically?* a pamphlet that was a forerunner of this one. It contained stripped-down facts and theory touching on many of the same topics as this one. It was sponsored by 10 organizations concerned with immigration across the political spectrum. In 1989 there appeared my book *The Economic Consequences of Immigration.*

There has been a great outpouring of research on the economics of immigration since then. This pamphlet focuses mainly on the new empirical material; the scholar seeking more data and the historical background of the literature will find them in my 1989 book. For other reviews of relevant recent data, the reader may also consult Moore (1994) and Fix and Passel (1994).

This is the main change in the past decade: In percentage terms, illegal immigrants and perhaps refugees use more welfare services than they did one or two decades ago. The extent of that use still is small relative to the use by natives and legal immigrants, however, and it is small relative to the taxes illegals pay into the public coffers.

Otherwise, the recent research has strongly confirmed the other main facts that were adduced in the 1985 pamphlet and the 1989 book.

The reader will find no mention of differences among immigrants by race or country of origin. That is because such information does not bear upon the most important question for immigration policy: the overall number of immigrants that are admitted to the country. Furthermore, I am greatly uninterested in comparisons of groups by race and national identity, so my taste coincides with policy importance.

This pamphlet does not claim to be an exhaustive review of the literature, though that is a valuable goal. It does claim, however, that the facts it asserts are not contradicted by articles and books that are not cited herein.

1. Summary of Important Facts about Immigration

These are the most important demographic and economic facts pertaining to policy decisions about the numbers of immigrants that will be admitted by law into the United States:

The Quantities of Immigration

- The *total number* of immigrants per year (including illegal immigrants and refugees) nowadays is somewhat less than it was in the peak years at the beginning of the 20th century when U.S. population was less than half as large as it now is.
- The *rate of immigration relative to population size* now is low rather than high. Immigration as a proportion of population is about a third of what it was in the peak years.
- The *foreign-born population* of the United States is 8.5 percent of the total population (as of 1990). The proportions in the United States during the period from before 1850 to 1940 were higher—always above 13 percent during the entire period from 1860 to 1930—and the proportions since the 1940s were lower. The present proportion—8.5 percent—also may be compared to the 1990s' proportions of 22.7 percent in Australia; 16 percent in Canada; 6.3 percent in France; 7.3 percent in Germany; 3.9 percent in Great Britain; and 5.7 percent in Sweden.
- Though the *volume of illegal immigration* is inherently difficult to estimate, a solid body of research, using a variety of ingenious methods, has now arrived at a consensus: the number of illegals in the United States is perhaps 3.2 million, pushed downward by the amnesty of 1987–1988, not very different from a decade before. Many of these persons are transitory. The million-plus persons who registered for the amnesty verify that the total was and is nowhere near the estimates that often have been given in public discussion.
- The *rate of illegal immigration* is agreed by all experts to be about 250,000 to 300,000 per year.
- More than half of illegal aliens *enter legally and overstay their visas and permits.* "Less than half of illegal immigrants cross the nation's borders clandestinely. The majority enter legally and overstay their visas" (Fix and Passel 1994, 4).

The Economic Characteristics of Immigrants

- *New immigrants are more concentrated than are natives in the youthful labor-force ages* when people contribute more to the public coffer than they draw from it; natives are more concentrated in the childhood and elderly periods of economic dependence when the net flows are from the public to the individual. Of all the facts about immigration relevant to its economic effects, this is the most important, and the one which is most consistent in all countries, in all decades and centuries.
- Taken altogether, immigrants on average have *perhaps a year less education than natives*—much the same relationship as has been observed back to the 19th century.
- The *average education of new immigrants has been increasing* with each successive cohort. The proportion of adult immigrants with 8 or fewer years of education has been trending downward, and the proportion of adult immigrants with 16 or more years of education has been trending upward.
- The proportion of adult new immigrants *with eight or fewer years* of education is much higher than the proportion of adult natives.
- The proportion of immigrants with *bachelor's or postgraduate degrees* is higher than the proportion of the native labor force.

• Immigrants have increased markedly as a proportion of members of the *scientific and engineering labor force* (especially at the highest level of education). Immigrants also have increased rapidly as proportions of the pools of U.S. scientists and engineers. Scientific professionals are especially valuable for promoting the increased productivity and growth of the economy.

• Immigrants, even those from countries that are much poorer and have lower average life expectancies than the United States, are *healthier than U.S. natives* of the same age and sex. New immigrants have better records with respect to infant mortality and health than do U.S. natives and immigrants who have been in the United States longer.

• New immigrants are unusually *mobile geographically and occupationally*, in large part because of their youth. Such mobility increases the flexibility of the economy and mitigates tight labor markets.

• First- and second-generation *immigrant children* do unusually well in school. They win an astonishingly high proportion of scholastic prizes.

The Effects of Immigrants in the Labor Market

• Immigrants *do not cause native unemployment*, even among low-paid or minority groups. A spate of respected recent studies, using a variety of methods, agrees that "there is no empirical evidence documenting that the displacement effect [of natives from jobs] is numerically important" (Borjas 1990, 92). The explanation is that new entrants not only take jobs, they make jobs. The jobs they create with their purchasing power, and with the new businesses which they start, are at least as numerous as the jobs which immigrants fill.

• Re *wage effects*, one recent summary concludes, "Immigration has no discernible effect on wages overall. . . . Wage growth and decline appear to be unrelated to immigration—a finding that holds for both unskilled and skilled workers" (Fix and Passel 1994, 48). My interpretation of the literature is slightly different: a minor negative effect.

Welfare Use and Taxes Paid

• Immigrants who enter legally through regular quotas are *not permitted to receive public assistance for three years*, and they may be deported if they obtain such assistance (though few are). Refugees, however, are entitled to such assistance immediately upon entry, which (together with their needy circumstances) accounts for their high rate of welfare use soon after arrival.

• Re the *use by immigrants of welfare services* including food stamps, Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and Medicaid: these expenditures are the tail that wags the dog in policy discussions. Expenditures called "welfare" now *comprise about $404* per person annually for immigrants and about $260 for natives. *Total government social outlays are roughly $3,800 for natives.*

Because of the public interest in the set of welfare services that includes food stamps, AFDC, SSI, and Medicaid, the data on this cluster of welfare programs are presented here, but only for completeness. By themselves they *do not provide the basis for any conclusions* about overall transfer-payment receipt by various cohorts of immigrants and natives, because these calculations do not include most payments to the native elderly.

• *Foreign-born persons taken altogether* have perhaps a 10 to 20 percent higher probability of obtaining these welfare services than do natives. They average perhaps 30 percent higher average receipts per capita than do natives.

• There may *have been a small increase* in the use of these programs from pre-1970 to post-1970 entrants and from immigrants arriving between 1970 and 1986 to those entering between 1987 and 1990, but the evidence is mixed.

• *If refugees are excluded* from the assessment, and only nonrefugees are considered, the *rate of welfare* use for new *immigrants who entered between 1980 and 1990* is considerably *below* the rate for natives ages 15 and above.

• Among *foreign-born persons 65 years of age or more, a greater (and growing) proportion* receive welfare (mainly SSI) than among natives. This is due to the arrival of many immigrants too late to accumulate enough work time to earn Social Security benefits; the welfare is a substitute for Social Security.

Social Security and Medicare are by far the most expensive transfer payments made by the government. These payments go almost completely to natives. This is because immigrants typically arrive when they are young and healthy, and also because older recent immigrants do not qualify for Social Security for many years after their arrival.

Social Security and Medicare are by far the most expensive transfer payments by the govern-

ment. The cost of supporting elderly natives is vastly greater than for immigrants. This is because immigrants typically arrive when they are young and healthy, and the appropriate lifetime analysis shows that this provides a large windfall to the national treasury. (Current data alone also show a similar effect because of the contemporary age distribution of the immigrant population.) Also, older recent immigrants do not qualify for Social Security for many years after arrival.

As of the 1970s, immigrant families in all cohorts within several decades clearly paid more taxes on average than native families. However, the mean *earnings* of all new immigrant men were smaller relative to adult natives 25 to 64 in the 1980s than in the previous decade. The mean earnings of immigrant men who entered in the 1970s were smaller relative to adult natives 25 to 64 in the 1980s than the similar comparison for the previous decade. This continues a trend from men who entered in the 1960s. This implies that the *size of tax contributions by recent cohorts of immigrants relative to those of natives has diminished in recent decades.*

- When immigrants are *subclassified by legal category* of entrance, the picture is quite different from that for immigrants taken altogether. In an analysis of the 1990 census, where the average household income (different from the earnings concept referred to in the paragraph above) for natives was $37,300, 1980–1990 immigrants from countries from which most of the immigration is legal received $34,800 (that is, 91 percent of natives' household income), the average for those from countries sending mostly refugees to the United States was $27,700, and for those from countries sending illegals $23,900. (No information is now available on whether the picture was the same or different in earlier decades.) These data on recent legal immigrants are the relevant data for policymaking in legal immigration.
- As of the 1970s, immigrants *contributed more to the public coffers in taxes than they drew out in welfare services.* The most recent available data (for 1975) show that each year, an average immigrant family put about $2,500 (1995 dollars) into the pockets of natives from this excess of taxes over public costs.
- The possible *changes over time in earnings* in the various immigrant cohorts cast some doubt on the present-value calculation for earlier years concluding that immigrants make net contributions to the public coffers; a different sort of calculation may be needed for which data are not available.
- *Illegal aliens* contribute about as much to the public coffers in taxes as they receive in benefits. New data suggest that the undocumented pay about 46 percent as much in taxes as do natives, but use about 45 percent as much in services.

Immigrants, the Environment, and Natural Resources

- *Natural resources and the environment* are *not at risk* from immigration; rather, in the long run, resources increase and the environment improves due to immigration. The long-term trends show that U.S. *air and water are getting cleaner* rather than dirtier, and world supplies of *natural resources are becoming more available* rather than exhausted. Immigration increases the technical knowledge that speeds these benign trends.

Public Opinion about Immigrants and Immigration

- The most recent polls of U.S. *residents' opinions* show that *most persons want less immigration.* This is consistent with the consensus of all polls since the first such surveys in the 1940s. There does not seem to be a long-run trend in public opinion opposing immigration.
- A poll of the most respected *economists* found a consensus that both legal and illegal *immigrants are beneficial* economically.

* * *

No data are presented in this pamphlet concerning racial or ethnic composition or the country of origin of immigrants because these characteristics are not relevant for any policy decisions that are related to the economic consequences of immigration.

2. *The Quantities of Immigrants*

Legal Immigration and Emigration

Figure 2.1 shows the absolute numbers of legal immigrants over the decades. From 1930 to 1980, the numbers were far smaller than the numbers around the turn of the century, even including illegal immigrants.

The very high rates of legal immigration shown for 1989, 1990, and 1991 (and perhaps to some extent the rates for 1992 and 1993) are a result of the legalization of those persons who had been in the country for several years in a non-legal status. The actual immigration underlying those figures should be allocated to the entire decade ending in 1990 or even earlier. Even the highest 10 years, 1984 to 1993, saw fewer immigrants than 1905 to 1914.

There are no official data on emigration, but a variety of studies have shown that emigration always has been substantial. The Urban Institute offers the estimate of 200,000 emigrants a year in the 1990s (Fix and Passel 1994, 23).

From the point of view of the economic impact on natives, more appropriate than the *absolute* numbers is the volume of immigration as a *proportion* of the native population. Figure 2.2 shows that the immigrants who arrived between 1901 and 1910 constituted 10 percent of the population, whereas between 1981 and 1990 immigrants constituted 3 percent of the population. The recent flow is less than a third as heavy a burden for the native population to absorb as in that earlier period.

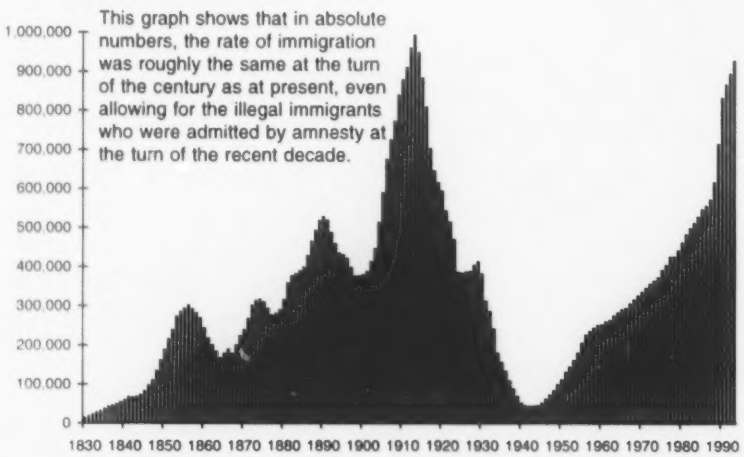
The Proportion of Resident Immigrants in the Population

Turning from the *flow* to the *stock* of immigrants, Figure 2.3 shows the total stock of immigrants by decade. And Figure 2.4 shows the stock as a proportion of the population. From 1860 to 1920, more than 13 percent of the population was foreign-born. In 1990, roughly 8.5 percent of the population—about 1 person in 12 in the United States—was born abroad, considerably smaller proportionally than during much of U.S. history.

The present proportion in the United States, 8.5 percent, also may be compared to 1990s' proportions of 22.7 percent in Australia; 16 percent in Canada; 6.3 percent in France; 7.3 percent in Germany; 3.9 percent in Great Britain; and 5.7 percent in Sweden. Figure 2.5 shows the recent trends.

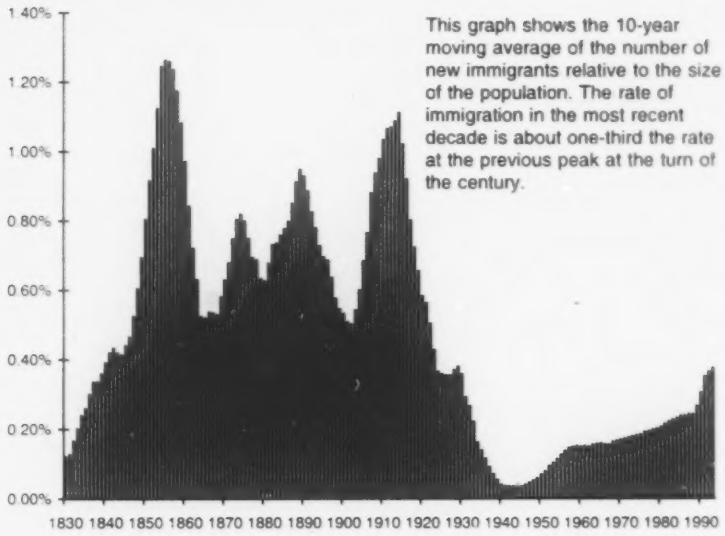
The numbers of aliens illegally residing and working in the United States at present (the "stock" of nondocumented persons) as well as the number by which the stock is increased each year (the net "flow" of nondocumented persons) enter importantly into the discussion of immigration. In the past when there was slight knowledge of these subjects, huge numbers were bandied

Figure 2.1
Ten-Year Moving Average Number of Immigrants, 1830–1993


This graph shows that in absolute numbers, the rate of immigration was roughly the same at the turn of the century as at present, even allowing for the illegal immigrants who were admitted by amnesty at the turn of the recent decade.
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
1830 1840 1850 1860 1870 1880 1890 1900 1910 1920 1930 1940 1950 1960 1970 1980 1990

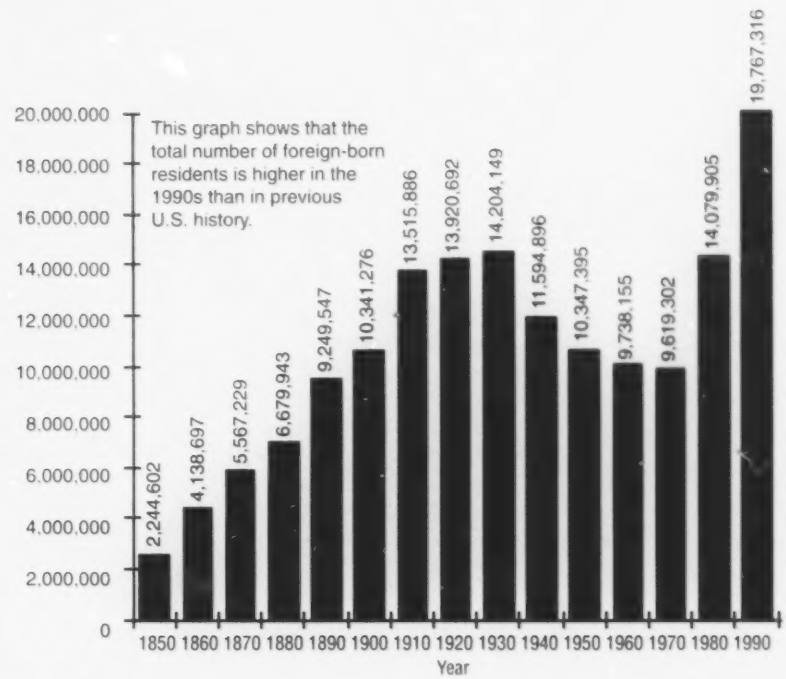
Source: Statistical Yearbook of the INS, 1993, p. 25.

Figure 2.2
Ten-Year Moving Average Rate of Immigration, 1830–1993 (per 1,000 Total U.S. Population)


1.40%
1.20%
1.00%
0.80%
0.60%
0.40%
0.20%
0.00%
1830 1840 1850 1860 1870 1880 1890 1900 1910 1920 1930 1940 1950 1960 1970 1980 1990
This graph shows the 10-year moving average of the number of new immigrants relative to the size of the population. The rate of immigration in the most recent decade is about one-third the rate at the previous peak at the turn of the century.

Sources: Statistical Abstract of the United States, 1994; Statistical Yearbook of the INS, 1993, p. 25.

Figure 2.3
Total Size of the Foreign-Born Population, 1850–1990



Source: "The Index of Leading Immigration Indicators," compiled by John J. Miller and Stephen Moore, in *Strangers at Our Gate—Immigration in the 1990s* (Washington: Manhattan Institute, and San Francisco: Pacific Institute, 1994), p. 104.

about; for example, the Immigration and Naturalization Service has publicized estimates as high as 12 million residents. By now, however, demographers have a rather solid understanding of how many illegals are in the United States and have now reached reasonable consensus. (Some of the major methods include analyses of death registrations, census data, Mexican census data, and surveys of Mexican villages.)

Figure 2.6 shows that the stock of illegal aliens has tended to rise rather modestly and that the amnesty of 1987–1988 brought the stock down to the levels around 1980.

Net Flows of Illegal Aliens

According to an authoritative recent review, the net flow "is 200,000 to 300,000 a year" (Fix and Passel 1994, 4). This estimate is of the same order (though perhaps a bit lower) than the 305,000 net annual addition that was estimated for 1989 to 1992 by Robert Warren of the INS (another main long-time student of the subject), a number which itself reflects a "modest drop" from the 334,000 estimated for the period 1982–1988 (correspondence, August 31, 1993). A modest interpretation of these data is not that they show a decline but that they show the absence of an important increase.

These estimates are for the *net* annual addition to the population. They are much smaller than the *gross* flow and the number of apprehensions; those numbers do not deduct the number of such persons who leave the United States.

A considerable proportion of the net flows of illegals in the 1970s and 1980s is embodied in the data in Figures 2.1 and 2.2, due to the amnesty that caused many earlier illegal entrants to be counted later as legal entrants.

Stocks of Illegal Aliens

The Census Bureau estimated that as of 1990, there were 3.3 million illegal resident aliens, with a maximum of 5.5 million. This estimate was considered to be the most reliable by the U.S. General Accounting Office report on the subject in August 1993. The GAO's own assessment is that, "in summary, based on the Census Bureau data and on our analysis, it appears that there were likely to have been no more than 3.4 million illegal aliens resident in the United States in 1990 . . . lower than the 5.5 million maximum likely estimate derived by the Census Bureau." (1993, 56).

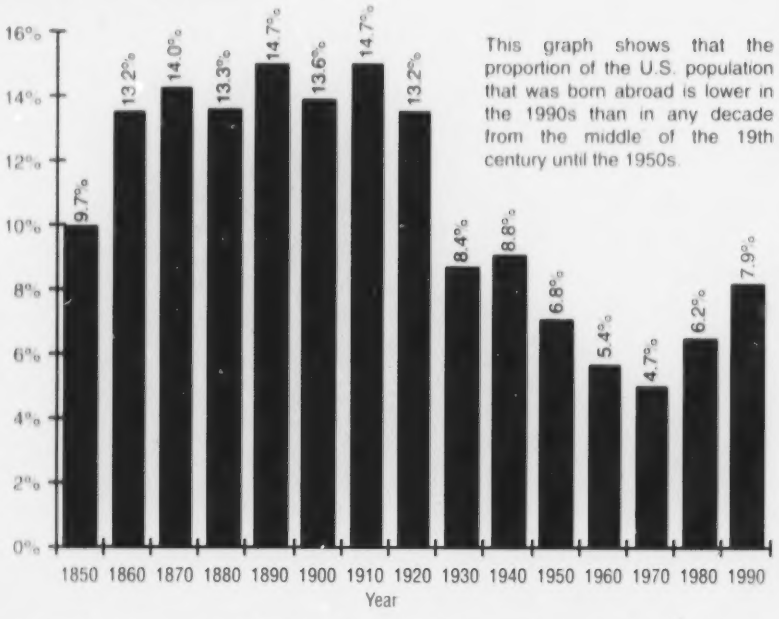
Mode of Entry

A substantial proportion of illegal aliens enter legally. "Only 4 out of 10 undocumented aliens cross the border illegally or enter without inspection. Six out of 10 undocumented aliens enter legally—as visitors, students, or temporary employees—and become illegal by failing to leave when their visas expire" (Fix and Passel 1994, 25).

Guestworkers and Illegal Workers

Evidence about the effect of a guestworker program can be seen in the data from the "bracero" program in operation for mostly Mexican agricultural workers four decades ago. When the program was at its height from 1956 to 1963, illegal entry (as measured by apprehensions) fell from about half a million a year (and a crash program spike of over a million apprehensions in 1954) to well under 100,000 from 1956 to 1964. (See Figure 2.7.) This is one of the most conclusive quasi-experiments in social policy that has ever been conducted. The inverse correlation between apprehensions and guestworkers must astonish any social scientist. It is caused by employers preferring to employ legal workers who will not be subject to sudden departure due to legal action.

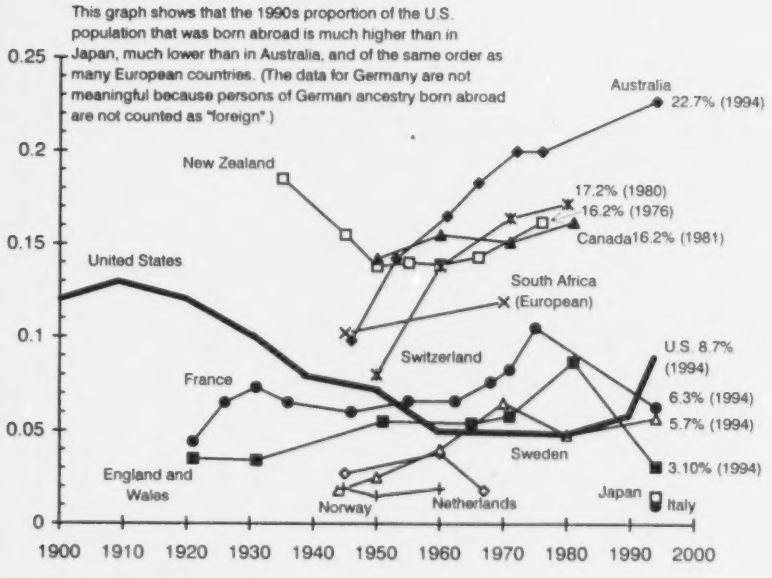
Figure 2.4
Immigrants as a Percentage of the Population, 1850–1990



This graph shows that the proportion of the U.S. population that was born abroad is lower in the 1990s than in any decade from the middle of the 19th century until the 1950s.

Source: "The Index of Leading Immigration Indicators," compiled by John J. Miller and Stephen Moore, in *Strangers at Our Gate—Immigration in the 1990s* (Washington: Manhattan Institute, and San Francisco: Pacific Institute, 1984), p. 105.

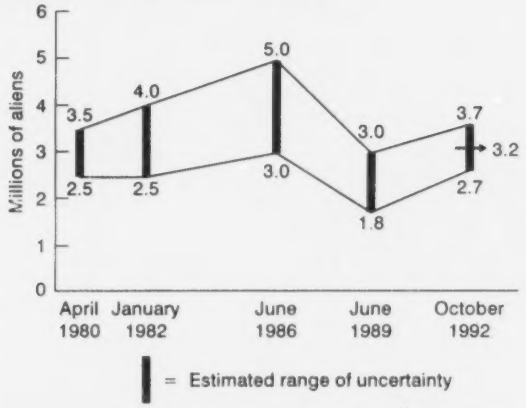
Figure 2.5
Foreign Born as a Proportion of Population in Selected Countries, 1920–1994



Source: Simon, 1989, p. 29; Vernez, 1994.

13

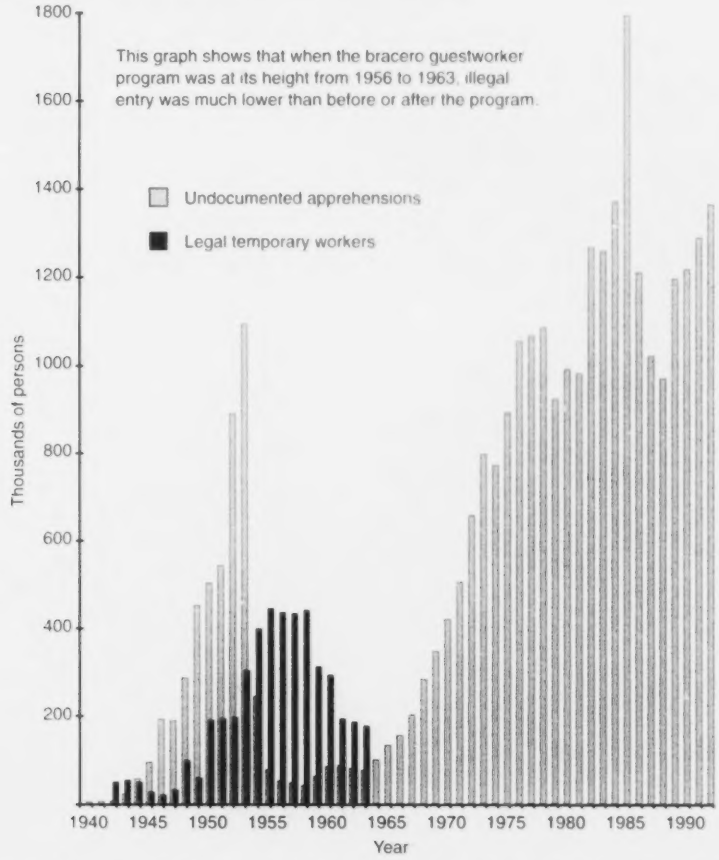
Figure 2.6
Undocumented Alien Population, 1980–1992



This figure shows that the stock of illegal aliens has tended to rise rather modestly, and the amnesty of 1987–1988 brought down the stock to the levels around 1980.

Source: Fix and Passel, 1994, p. 23.

Figure 2.7
Mexican Guestworkers in the United States and Apprehensions of Illegal Entrants, 1943–78



Sources: INS Statistical Yearbook, 1993, p. 158; Calavita, K., Inside the State, New York: Routledge, 1992, pps. 217-18.

3. *The Qualities of Immigrants*

Chapter 2 provided data on the numbers of immigrants. This chapter gives data on their qualities—their age distribution, educational levels, state of health, and related characteristics.

Age Distributions of Immigrants and Natives

The proportion of the immigrant group that is of labor-force age (say 20–64, or better, 25–54) and of the male sex (males have a greater propensity to work outside the home) matters greatly with respect to the effect of immigrants on the nation's economic output. Workers are economic producers for the rest of the community, whereas youths and the elderly are not.

As in all countries in all eras, current migrants to the United States tend to be young adults just beginning their work lives.

The recent age distributions of the U.S. population and of new immigrants are shown in Figure 3.1. The age distribution of legal immigrants is very favorable for labor-force participation, with a heavy concentration in the prime labor-force years.

Trends in the Educational "Quality" of Immigrants

This section first provides evidence on the trends in the absolute educational levels of immigrants. It then provides evidence on the trends in immigrants' education relative to natives. The absolute data are the more meaningful measure economically.*

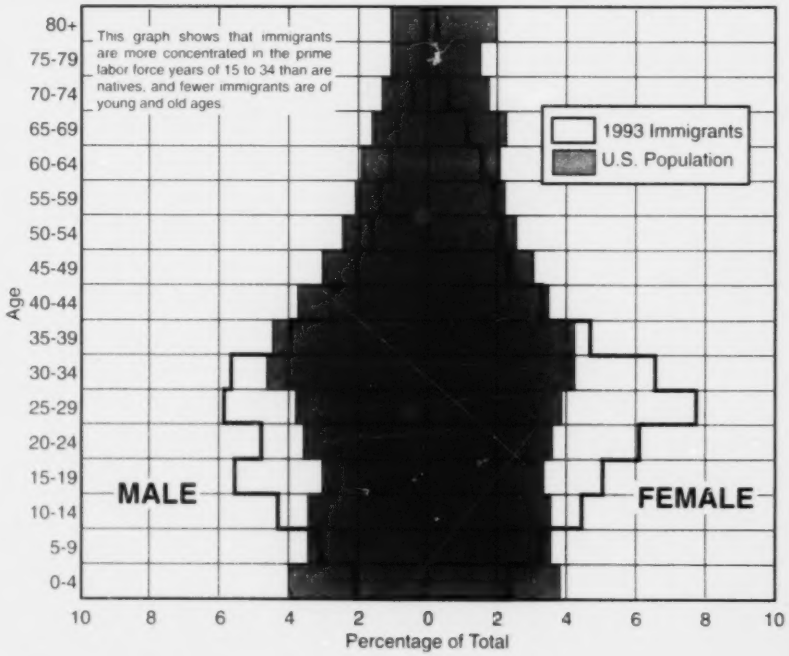
Trends in the Absolute Amounts of Education of Immigrants

Table 3.1 shows the trends in amounts of education of immigrants. The table includes several different kinds of data: mean years of education, percentage of immigrants with 8 years of education or less, and percentage with 16 years of education or more. These measures will be discussed separately.

The Very Low and Very High Education Categories

During the 1980s, as well as for previous decades, immigrant education increased rather than decreased. The proportion in the low education category (line 3 in Table 3.1) declined, and the proportion in the high education category

Figure 3.1
Age and Sex Distributions of U.S. Population and Immigrants Admitted in Fiscal Year 1993



Source: Statistical Yearbook of the Immigration and Naturalization Service, 1993, p. 23.

*This section is based upon a paper written jointly with Ather Akbari (1995). More details on the data are reported there.

Table 3.1
Education of Immigrants in the United States

	1945–50	1955–60	1960–64	1965–69	1970–74	1975–80	1980–81	1982–84	1985–86	1987–90	1980–90
Mean years of schooling[a]	9.5		10.6		10.7	11.5					
8 years or less schooling:											
Persons 18 +[b]		25.0		29.5		29.4					
Persons 25 + on census day[c]					35.5	30.7	30.6	23.9	25.2	24.0	25.4
Persons 25 + at arrival[d]			33.0	36.4	36.7	30.7					
Persons 20–34 at arrival[e]			26.0	27.0	28.0	24.0					
Persons 25–34 at arrival[f]			30.0	29.0	30.0	24.0					
16 years or more schooling:											
Persons 18 +[b]		15.7		16.6		18.3					
Persons 25 + on census day[c]					20.3	23.8	17.6	23.9	23.6	29.0	24.5
Persons 25 + at arrival[d]			16.8	19.5	21.8	23.8					
Persons 20–34 at arrival[e]			19.0	25.0	27.0	27.0					
Graduate or Professional degree[g]							6.9	9.9	10.3	12.6	10.4

[a] Men 25–64, "recently arrived" (5 years before census) Borjas, 1990, p. 50, read from graph.
[b] Persons 18 +, arrived 1950–59, 1965–69, 1975–79. Bjoras, 1990, p. 46.
[c] Data for 1970–74 to 1975–80 are from the U.S. Census of Population, 1980, Table 10. Data for 1980–81 and 1987–90 are from C-P-3-1 (1990), p. 129. Data for 1980–90 are weighted averages of 1980–81 to 1987–90 data.
[d] Data for 1960–64, 1965–69, 1970–74, and 1975–80 are for persons who were aged 40 +, 35 +, 30 +, and 25 + at the time of census. Source: U.S. Census of Population, 1980, Table 10.
[e] Data for 1960–64, 1965–69, 1970–74, and 1975–80 are for persons who were aged 40–49, 35–44, 30–39, and 25–34 at the time of census. Source: U.S. Census of Population, 1980, Table 10.
[f] Data for 1960–64, 1965–69, 1970–74, and 1975–80 are for persons who were aged 45–49, 40–44, 35–39, and 30–34 at the time of census. Source: U.S. Census of Population, 1980, Table 10.
[g] Data for 1980–81 to 1987–90 are from C-P-3-1 (1990), p. 129. Datum for 1980–90 is a weighted average of 1980–81 to 1987–90 data.

(line 7 in Table 3.1) increased. One cannot construct a unified index that contains all the trend information in Table 3.1. But every single separate comparison on every index shows that immigrant cohorts have been better educated in each period than in each preceding period. That is, across the decades the data show the following: (a) Mean number of years of schooling has increased continuously. (b) The proportion of new immigrants with eight years of education or less has trended downward. (c) The proportion with a college degree or even more education has gone up.

Differences among Legal Immigrants, Refugees, and Illegal Aliens

Fix and Passel (1994) have distinguished between persons from "refugee" countries, "illegal immigration" countries, and "legal immigration" countries. They show that the economic characteristics of the groups are very different, the refugees doing relatively poorly. (See Figures 3.7 and 3.8 below.) The size of the refugee flow is not insignificant. "Between 1945 and 1990, one-quarter of all immigrants entering the United States were admitted on humanitarian grounds" (Fix and Passel 1994, 15). The information on differences in characteristics of legals, refugees, and illegals is particularly pertinent to discussions of legal immigration quotas, because only the data for persons from "legal countries" bear upon that decision. Nevertheless, given that refugees have frequently been an important part of the immigrant stream, and may well be in the future, I recommend that we also focus on the aggregate data.

The Amounts of Education of Immigrants Relative to Natives

The previous section showed data on the absolute educational level of immigrants. It also may be of interest to compare the educational level of immigrants with that of the native labor force, even though these comparative levels are less informative about economic decisions than are the absolute levels. However, when we move from discussing absolute levels to discussing relative levels of education, the matter becomes more complicated technically.

Mean Years of Education

The only long time series available is average education. Borjas calculated the mean years of education since 1940 for natives and immigrant

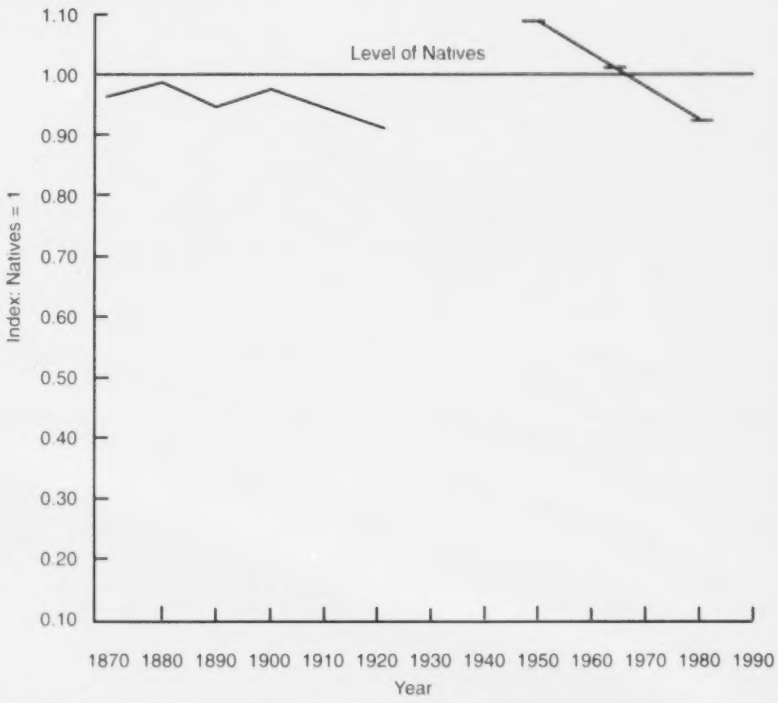
cohorts. This series shows a relative decline for immigrants over the period from 1940 to 1980. Because of a change in the way the questions were asked, it is not possible to compute a similar measure for the 1990 census. This series since 1940 should not be looked on as an overall measure of a long-term trend, for two reasons:

1. For reasons of international conditions and the domestic economy, immigration cohorts at the early end of the period (1940) were very different in nature from the cohorts at the end of the period. The latter period resembles present conditions and conditions even earlier in U.S. history. In contrast, many of the immigrants who entered between 1930 and 1950 were European war refugees. They tended to be people who had enough wealth and survival skills to be able to flee Europe. They also were people who had enough education to lead them to believe that they would be able to find a job and make a living in the rough U.S. economic climate of the 1930s. Unskilled people abroad, on the other hand, responded to the depression period by not migrating to the United States; indeed, there was more U.S. emigration than immigration in the 1930s for this reason. (In this respect, immigration provided its usual salutary cyclical influence upon the labor force—increasing it more when times are good than when times are bad.)

Evidence that the data for refugees with high education for 1930 to 1950 are an aberration, as are the data for 1980 to 1981 for refugees with low education, may be found in even longer-run data. For earlier decades, P. J. Hill (1975) calculated a measure of the "labor force quality" of immigrants relative to that of natives, roughly equivalent to a percentage. His estimates are: 1870, 0.97; 1880, 0.99; 1890, 0.95; 1900, 0.97; 1910, 0.95; 1920, 0.93. (Bernard Bailyn's research [1986] on the Colonial-period Registry of Emigrants from Great Britain reveals much the same pattern.) Hill's data are plotted together with Borjas's data in Figure 3.2. We see there a long-run tendency for the mean labor "quality" of new immigrants to be slightly below the mean of the resident labor force, which makes the different sort of pattern for the 1940 and 1950 censuses seem an unusual and temporary happening rather than a reasonable benchmark with which the later data should be compared.

2. The mean-education series embodies (and masks) the very different tendencies at the two ends of the educational spectrum. A bimodal distribution, where immigrants have a very wide range of educational levels, complements natives at both ends of the distribution. This has a very different economic meaning than does a distribution of immigrants heaped in the middle at similar education levels. (The observed bimodal pattern suggests that immigrants fill empty niches rather than competing head-on with natives.)

Figure 3.2
Average Amounts of Education (New Immigrants/Natives)



Sources: Data from 1870–1920 are from Hill (1975). Data for 1940–80 are from Borjas, 1990, Table 3 (Line #1).

Proportions with Very Low and Very High Educations

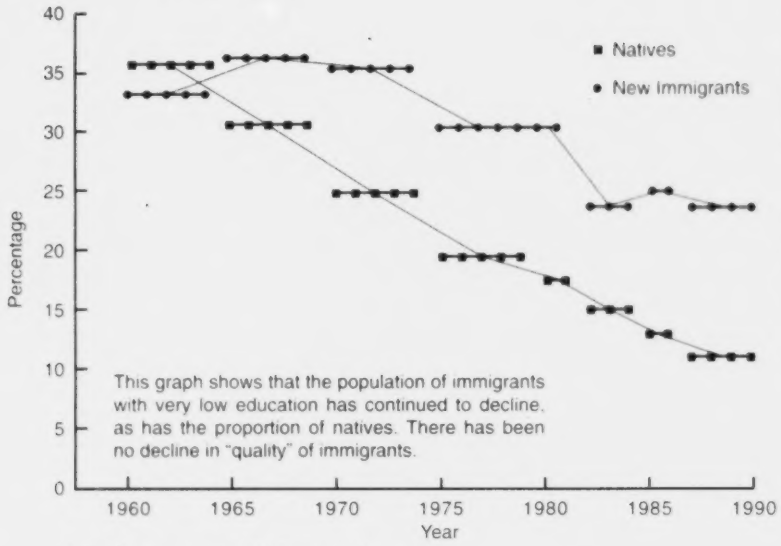
Figures 3.3 and 3.4 graph the trends for high and low education for immigrants and natives. The ratios of the proportions for immigrants and natives in Table 3.2 help elucidate the analysis.

At the bottom of the educational spectrum, there is a disproportionately large number of immigrants. And though the proportion of immigrants with eight years or less of education has fallen over the decades, the proportion relative to natives has risen.

At the top of the educational spectrum, there also are disproportionate numbers of immigrants. All the data show that immigrants enhance the workforce and economy with ever-growing proportions of the highest skilled labor.

Rumbaut's compilation (1994) of the proportions of immigrants whose occupation is given as "professional, executive, or manager" from

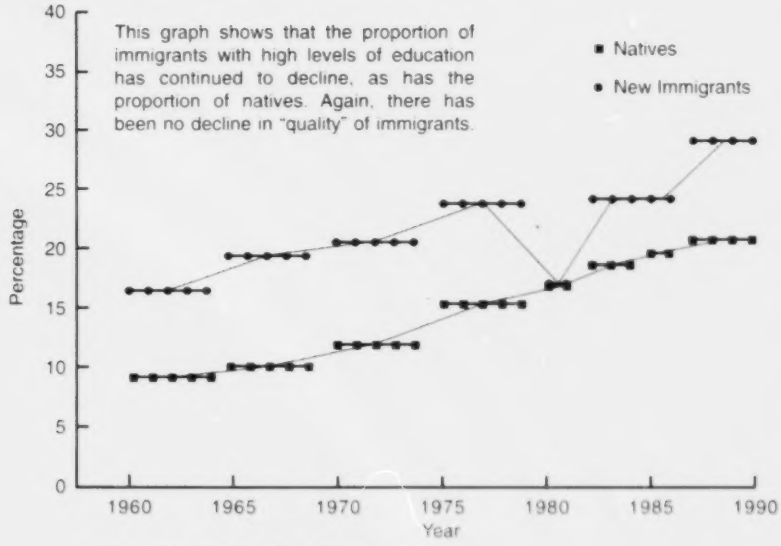
Figure 3.3
Natives and New Immigrants with 8 Years or Less Education, United States



Source: Simon and Akbari, 1994, Tables 1 and 2.

NOTES:
i) For new immigrants, horizontal axis shows year of arrival in the United States.
ii) All data for persons 25+.
iii) For new immigrants pre-1970 data are for persons 25+ at arrival. Post-1970 data for persons 25+ on census day.

Figure 3.4
Natives and New Immigrants with 16 Years or More Education, United States



Source: Simon and Akbari, 1994, Tables 1 and 2.

NOTES:
i) For new immigrants, horizontal axis shows year of arrival in the United States.
ii) All data for persons 25+.
iii) For new immigrants pre-1970 data are for persons 25+ at arrival. Post-1970 data for persons 25+ on census day.

the years 1967 to 1992 runs somewhat contrary to the trends in the education data presented above. The worldwide percentages are: 1967, 32.4; 1977, 36.0; 1977, 33.0; 1982, 31.9; 1987, 26.5; 1992, 24.0. The trend over the decades in these data is hard to square with the educational data presented earlier. (Rumbaut observes that the sharp drop in 1992 is in good part due to Latin American IRCA legalizations, especially of persons from Mexico.)

Rumbaut also points out the huge range among countries in 1992 in the "professional, executive, or manager" category—from 63.1 percent from India to 1.7 percent from Mexico. Figure 3.5 shows the data on distribution of occupations among new immigrants and natives in 1985 to 1987. It also shows the differences between skill-tested and other immigrants.

Particular Highly Skilled Occupations

The number of foreign engineers and scientists granted permanent residency in the United States "rose dramatically—to more than 22,800—in 1992, compared with 14,100 in 1991. . . . The annual figure hovered near 11,000 during the 1980s" (*Science*, July 22, 1994, 477).

In just the 10 years from 1975 to 1985, the proportions of engineering faculty and of assistant professors in engineering, aged 35 or less, both rose from about 10 percent to about 50 percent of the total professors in those categories (National Research Council 1988, 68).

These talented scientists and engineers are arguably the most important intellectual assets that any country could have.

Special Occupational Needs of the Society

Evidence on the distribution of occupations with respect to the needs of the U.S. economy is shown by the comparative data on the immigration of 4,152 doctors and 954 lawyers and judges in 1993 (INS, *Statistical Yearbook*, 1993, Table 20, p. 67). As of 1994, 20.5 percent of all physicians in the United States were born abroad, whereas 3.5 percent of all lawyers and judges were born abroad. It may be taken as simple fact that this shows that people select themselves to immigrate in accord with the needs of the society and their capacity to integrate with that society economically.

Engineers (12.3 percent), postsecondary teachers (15.1 percent), math/computer scientists (10 percent), and natural scientists (12.6 percent) also are overrepresented proportionally, relative

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to the native occupational mix. These data also throw light on the propensity of immigrants to serve the economic needs of the society at the time when they immigrate (*Washington Post*, April 18, 1994, A6).

Students from Abroad

The absolute and relative numbers of foreign students in the United States have been rising—from 154,580 and 1.5 percent of all college students in school year 1974–1975 to 438,620 and 3.0 percent of all college students in school year 1992–1993 (*Washington Post*, October 29, 1994, A7).

There has been a rapid increase in the proportions of foreign science and engineering graduate students in U.S. universities. Many of them manage to remain after they finish their studies, and many more would remain if it were legally possible to do so.

The number of foreign engineering students at all levels rose from under 10,000 in 1955 to more than 75,000 in the 1980s (National Research Council 1988, 92).

The ratio of foreign (persons with temporary visas) engineering doctorates in engineering to U.S. citizens rose from about 1:6 in 1970 to more than 1:1 in 1985 (National Research Council 1988, 12). The number of doctorates in physics earned yearly by foreign citizens is now about 600 (up from 200 a decade ago), compared to 800 earned by U.S. citizens and foreigners holding permanent visas (*Science*, October 1, 1993, 25). "In 1990, 62% of engineering doctorates in the U.S. were given to foreign-born students, mainly Asian. The figures are almost as high in mathematics, computer science and the physical sciences" (Bhagwati and Rao 1994).

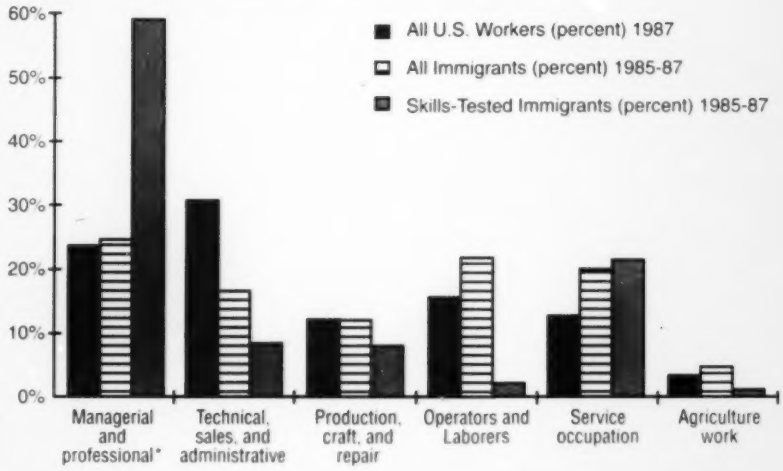
Figures 3.6 and 3.7 show how the proportions of science and engineering doctorates granted to nonnatives has risen. These students represent a pool of potential well-educated immigrants as well as contributors to research and teaching while they are in the United States.

Other Measures of Immigrant "Quality," Absolute and Relative

The earnings of immigrants relative to those of natives during various periods of time following immigration is the subject of a huge and controversial literature. I will present recent findings without analyzing their provenance and validity.

The earnings of successive cohorts of immigrant men since the 1960s seem to have become lower relative to native men than they had been,

Figure 3.5
Occupation of Immigrants and U.S. Citizens, 1987



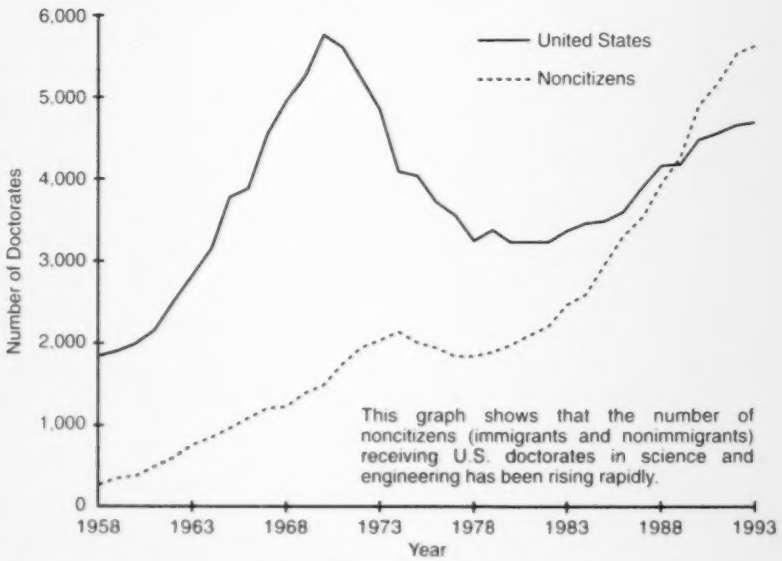
Source: U.S. Department of Labor, Bureau of International Labor Affairs, *The Effects of Immigration on the U.S. Economy and Labor Markets*, Immigration Policy and Research Report 1. Washington: U.S. Government Printing Office, 1989.

* Includes managers, executives, architects, engineers, doctors, lawyers, teachers, and computer scientists.

Source: U.S. Department of Labor, Bureau of International Labor Affairs, *The Effects of Immigration on the U.S. Economy and Labor Markets*, Immigration Policy and Research Report 1. Washington: U.S. Government Printing Office, 1989.

* Includes managers, executives, architects, engineers, doctors, lawyers, teachers, and computer scientists.

Figure 3.6
Number of Doctorates Awarded in Science and Engineering* to Citizens and Noncitizens



* Includes engineering, computer science, chemistry, physics, and astronomy.

Table 3.2
Education of New Immigrants Relative to Natives in the United States

	1945–50	1955–60	1960–64	1965–69	1970–74	1975–80	1980–81	1982–84	1985–86	1987–90	1980–90
Mean years schooling	1.09		1.02			0.92					
8 years or less schooling:											
Persons 18 +						1.68					
Persons 25 + on census day					1.42	1.57	1.78	1.58	1.84	2.05	1.79
Persons 25 + at arrival			0.92	1.18	1.47	1.57					
16 years or more schooling:											
Persons 18 +						1.32					
Persons 25 + on census day					1.68	1.54	1.0[illegible]	1.29	1.22	1.40	1.28
Persons 25 + at arrival			1.93	1.93	1.80	1.54					
Graduate or Professional degree											2.33

Source: Simon and Akbari, 1994, Tables 1 and 2. Each entry is a ratio of the relevant entry in Table 3.1 to a similar entry for natives (not shown here).

both at time of arrival and in later decades (see Table 3.3), though the earnings of immigrants may still come to equal or surpass those of natives and may be rising faster from the base levels than in past years. (The latter matter is in hot dispute, however; see Borjas 1994, Chiswick 1986, Duleep and Regets 1992.)

The gap between the mean earnings of all new immigrant men and adult native men 25–64 was wider in the 1980s than in the previous decade—27 percent versus 22 percent (see Table 3.3; Borjas 1994, 1678). This continues a trend from men who entered in the 1960s (a gap of 10.5 percent). The gap between the mean earnings of immigrant men who entered in the 1970s and adult natives 25–64 also was wider in the 1980s than the comparable gap in the previous decade.

These data lend themselves to a variety of interpretations. They probably reflect some changes in educational mix, but also changes in wage structure in the economy and other environmental factors. Even taken at face value, they do not imply that the newer immigrants are a negative force; the worst that can be said of this trend is that it brings persons who contribute a lower amount of "excess" taxes to the public treasury than do persons of higher education. (A fuller explanation follows in Chapter 5.) If persons of lower education immigrate (those who earn lower wages, especially those who come illegally), they come because there is a demand for their services in the labor market. Supplying that demand cannot be a bad thing economically (subject to influences on the employment and wages of natives, as discussed below and in Chapter 4).

The Health of Immigrants

Throughout this compilation I mostly refrain from analysis or comment. But this section is so amazing that I must remark on it.

Immigrants tend to come from countries poorer than the United States. The poorer the country, the poorer the health of the citizens, on average. Therefore, one might expect the health of immigrants to be poorer than that of U.S. citizens. Yet here is an authoritative "official" review of general health data for immigrants and natives.

> Overall, foreign-born persons had better health than the U.S.-born population, although this health advantage varied by length of residence in the United States. In virtually every measure of health status, and with regard to almost every sociodemographic characteristic, the most recent immigrants were healthier than foreign-born persons who have

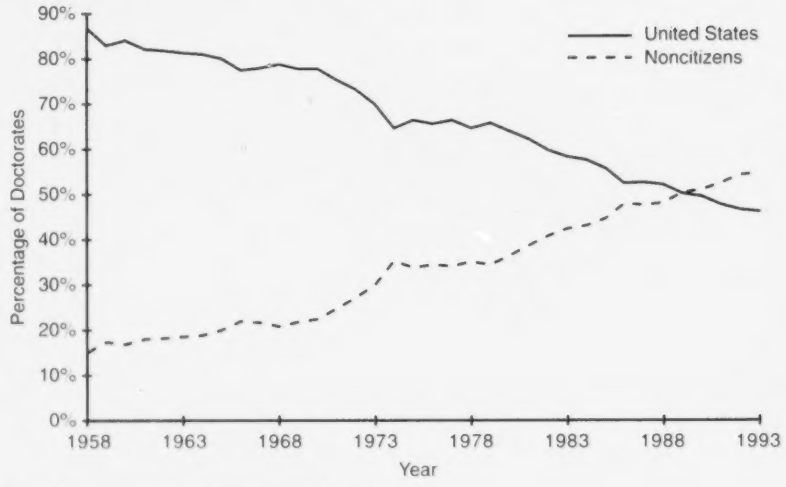
lived in the United States 10 years or more as well as healthier than the U.S.-born population. Immigrants who had lived in the United States 10 years or longer were generally healthier than U.S.-born adults, although the differences were not as striking as between recent immigrants and the native-born population. (Stephen et al. 1994, 4)

And here is a summary of the perinatal health of immigrants as compared to natives.

> [I]n a recent review of the literature, Eberstein (1991) cites research indicating that among Blacks and Hispanics, pregnancy outcomes (birthweight, mortality) are better among babies born to immigrants than to U.S.-born mothers. Williams et al. (1986) reported similar results for Spanish-surname women in California. Guendelman et al. (1990), using data from the Hispanic-HANES, found that low-birthweight (LBW) rates were significantly higher for second-generation U.S.-born women of Mexican descent compared with (less acculturated) first-generation Mexico-born women, despite the fact that the latter had a lower socioeconomic status, a higher percentage of mothers over 35 years of age, and less adequate prenatal care. The risk of LBW was about four times higher for second than first generation primiparous women, and double for second than first generation multiparous women. Earlier, Elena Yu (1982) had reported that Chinese-Americans had lower fetal, neonatal and postneonatal mortality rates than whites and other major ethnic/racial groups, and the superior health profile of Chinese infants was observed at every level of maternal education and for all maternal ages. (Rumbaut 1992, 3–4)

Better health of a given group (the immigrants, in this case) implies economic benefits for the community as a whole—less public expenditures on health and more work.

Figure 3.7
Percentage of Doctorates Awarded in Science and Engineering*



Source: National Science Foundation, unpublished data.

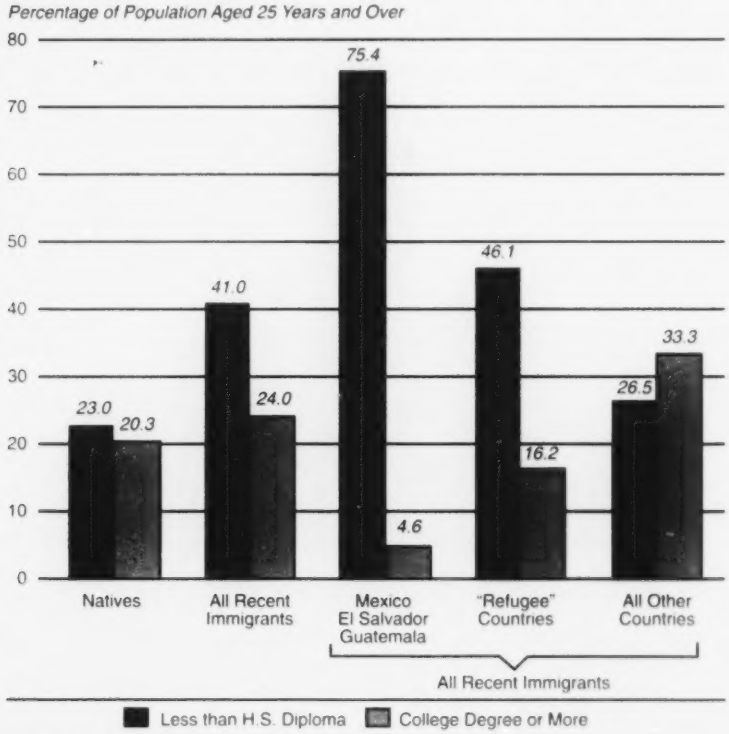
* Includes engineering, computer science, chemistry, physics, and astronomy.

Table 3.3
Percentage Wage Differential between Immigrant and Native Men, 1970–1990, Deflated by Changes in Wage Structure

		Using Age-Education Deflator		Using Percentile Deflator	
Group	**1970**	**1980**	**1990**	**1980**	**1990**
All Immigrants	.9	−9.4	−14.4	−8.6	−13.9
Cohort:					
1985–1989 Arrivals	—	—	−29.5	—	−29.4
1980–1984 Arrivals	—	—	−25.0	—	−25.4
1975–1979 Arrivals	—	−25.2	−15.8	−26.2	−16.0
1970–1974 Arrivals	—	−17.5	−8.8	−17.9	−8.3
1965–1969 Arrivals	−16.6	−8.2	−.2	−7.2	1.1
1960–1964 Arrivals	−4.4	−1.0	6.0	.2	7.9
1950–1959 Arrivals	5.6	3.9	13.1	5.4	17.1
Pre-1950 Arrivals	10.3	4.7	16.0	10.2	23.2

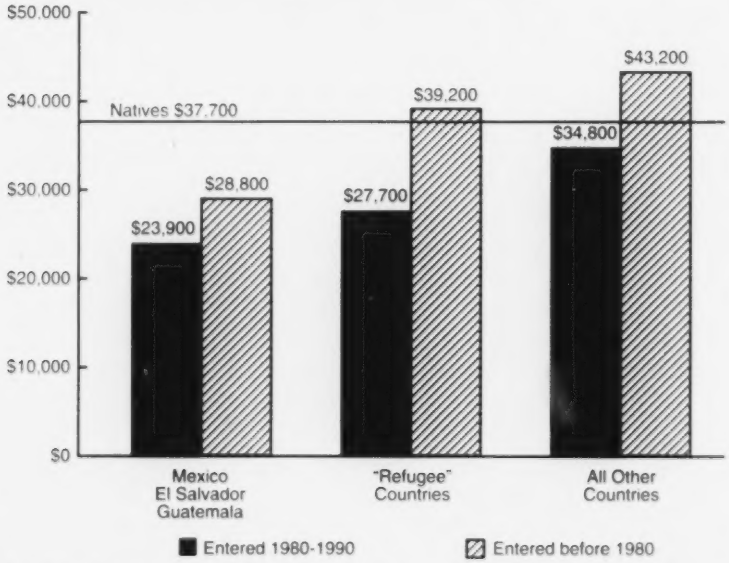
Source: Borjas, 1994, p. 1678.
Note: The statistics are calculated in the subsample of men aged 25–64 who work in the civilian sector, who are not self-employed, and who do not reside in group quarters.

Figure 3.8
Education by Type of Country of Birth, 1990



Source: Fix and Passel, 1994.

Figure 3.9
Average Household Income by Country of Birth, 1990



This graph shows that the households of immigrants who may be assumed to have entered under the legal immigration quota have incomes similar to native households, whereas "illegal country" and refugee households only recently in the country have considerably lower incomes than do native households.

Source: Fix and Passel, 1994.

Differences among Immigrant Groups

By analyzing data on immigrants from various countries, Fix and Passel (1994) have shown that there are great differences in the mean characteristics of the various types of flows of immigrants that they distinguish: legal immigrants, refugees, the undocumented. Figure 3.8 shows the variation in education.

When immigrants are subclassified by legal category of entrance, the earnings picture also is quite different than for immigrants taken altogether. In an analysis of the 1990 census data in which the average household income (quite different from the individual earnings concept referred to earlier) of natives was $37,300, 1980–1990 immigrants from countries where most of the immigration is legal received $34,800 (that is, 93 percent of average native family income), those from countries sending mostly refugees to the United States received $27,700, and income of those from countries sending illegals was $23,900 (see Figure 3.9). No information is now available on whether the picture was similar or different in earlier decades.

4. *Effects of Immigration on Native Unemployment*

Displacement of citizens from *employment* by immigrants has always been one of the major fears about immigration. Englishman John Toland wrote in 1714, "The vulgar, I confess, are seldom pleas'd in a country with the coming in of Foreners . . . from their grudging at more persons sharing the same trades or business with them." But Toland also explained why this fear need not be realized. "We deny not that there will be more taylors and shoomakers; but there will also be more suits and shoos made than before"—and sold to the immigrants, among others.

The speculative basis of the fear of citizen unemployment is simple: if the number of jobs is fixed and immigrants occupy some jobs, there are fewer available jobs for natives. Hence unemployment is reviewed in this chapter.

The effect of immigrant competition on natives' *wages* also is an issue that arouses the passions of natives. It will be discussed in the next chapter.

An outpouring of research since the early 1980s is an embarrassment of riches; there now is too much material to cover in a short chapter. But no difficulty is caused thereby; there is an unusual consensus in the results of the various studies, and they may be summarized without danger. For the reader who wants more information, an exhaustive review is contained in tabular form in Fix and Passel (1994).

Many of the conclusions of the major studies are quoted directly from the originals, often at some length. This enables the reader to judge the nuances of the phrasing that can be lost in a third-party summary. These quotations also give the reader the flavor of the discussion as well as its statistics.

This and the following chapter can be summarized as follows: Immigrants have practically no negative effect in the labor market on any person except other immigrants. The effect on wages is modest by any appraisal, and the effect on unemployment apparently is zero.

It is all-important that these facts are agreed upon by all observers. Here, for example, is a review of the literature by the editors of a volume on this subject produced by the National Bureau of Economic Research:

> Increased immigration has a modest adverse effect on the wages of the immigrants themselves and on the wages of earlier waves of immigrants, but it has only a modest effect on the wages of the young black and Hispanic Americans who are likely to be the next closest substitutes (LaLonde and Topel). Neither the employment nor the wages of less educated black and white natives worsened noticeably in cities where immigrant shares of the population rose in the 1970s. On the positive side, there is some evidence that, in cities with more immigrants, employment grew more rapidly or declined more slowly in low-wage industries where immigrants tended to find jobs and that less skilled natives moved into better jobs (Altonji and Card). The broad implication is that immigrants have been absorbed into the American labor market with little adverse effect on natives. (Abowd and Freeman 1992, 22)

The Effects on the Rate of Aggregate Unemployment of Natives

The most important conclusion that emerges is as follows: The studies uniformly show that immigrants do not increase the rate of native unemployment in the aggregate. The reader need not go further if the conclusion is all that is desired.

The only purported study that disagrees with this consensus—that of Donald Huddle—lacks any scientific merit; I am prepared to defend that unequivocal harsh statement before any scientific tribunal, as I have offered to do in the *New York*

Times but without response from Huddle;* more about Huddle later.

The effect of immigration on the general level of unemployment is difficult to assess because the job-creating process—which offsets the job-taking process—is much more indirect and diffuse than is the job-taking process. It is even difficult to establish how many jobs would stand open if immigrants do not come, because after a while employers make other arrangements, either using machines instead of human labor, or reducing the scale of the enterprise. Nevertheless, there has now accumulated a solid body of careful econometric studies on this topic, using a variety of data sources and methods, done by respected economists.

Muller's Study of Los Angeles

This is Muller's description of his results concerning unemployment in Los Angeles.

> To what extent did the influx of immigrants entering Southern California in the 1970s reduce the jobs available to nonimmigrant workers? The answer for the 1970s is little if at all. Although Hispanic workers filled a large proportion of the jobs added during the decade, particularly in manufacturing, there is no indication that work opportunities for nonimmigrants lessened. Despite mass immigration to Southern California, unemployment rates rose less rapidly there than in the remainder of the nation. Furthermore, the labor force participation rate (the proportion of the population in the labor force) did not seem to be affected. In fact the participation rate for both blacks and whites was higher in Southern California than elsewhere in the state and nation. Moreover, the difference in the participation rate between Southern California and the rest of the country remains essentially unchanged since 1970, indicating that the influx of immigrants did not discourage people from seeking employment (p. 13).

Simon-Moore-Sullivan Comparison of Immigration and Unemployment across Cities in the United States

Moore, Sullivan, and I (1994) studied the relationship between the rates of immigration and of unemployment across cities in the United States. Our samples cover the years 1960–1977 for the various numbers of cities in the United States for which Immigration and Naturalization Service data on immigration are available in various years. (This is the only period during which any data are available.)

We investigated the relationship between the level of unemployment and the rate of immigration. When we examine the differences between the years farthest apart (1960 and 1977), the results seem at first to show a statistically significant relationship. But when we allow for the secular rising national trend in unemployment by examining the farthest-distant pair of years having the same unemployment levels, the apparent relationship is no longer seen. It is not obvious which of these ways of looking at the data is the more appropriate.

There are many analyses in that paper that suggest no effect at all. But for quantitative perspective, we may consider the analysis with the largest effect of all. It implies that for each immigrant who entered during that period, .093 natives were unemployed during *each* of the 15 years, or 15 x .093 = 1.395 years of native unemployment for each entering immigrant. That would certainly be a meaningful amount of unemployment to be caused by an immigrant on average. But even this most unlikely upper bound is far less than from a displacement assessment of one job permanently lost to natives for each immigrant admitted. The largest coefficient observed would have to be 20 or 30 times as large as it is for there to be any such suggestion.

The correlations in all regressions are strikingly low. It must be kept in mind, however, that immigration is small in volume relative to other population movements and components, and therefore it is almost impossible that immigration could explain a large proportion of the differences in unemployment, no matter how close the actual relationship. It is hard to find much policy importance in a variable that explains so little of the variation in the dependent variable.

Vedder-Gallaway-Moore Historical and Cross-Sectional Study

Vedder et al. (1994) examined the relationship between the rates of unemployment (relative to population) and the rates of unemployment for the United States as a whole during the 20th century. They "found no statistically reliable correlation between the percentage of the population that was foreign born and the national unem-

*I have invited Mr. Huddle to bring his work and mine—and others, as appropriate—before a "science court" of economists chosen by, say, the American Economic Association. The person whose work is found less valid would be bound to pay the court's expenses (J. L. Simon, Letter to the Editor, *New York Times*, February 26, 1994).

ployment rate over the period 1900–1989, or for just the postwar era (1947–89)" (p. A12). They also compared rates across states. In Vedder's words,

> Messrs. Gallaway, Moore and I took the 10 states with the highest average percentage of immigrant population in the 1960–90 period and compared them with the 10 states with the smallest relative immigrant presence. In the 10 high-immigrant states, the median unemployment rate in the 1960–91 period was about 5.9%, compared with 6.6% in the 10 low-immigrant states.
>
> Classifying the states according to unemployment rates and confining our analysis to the 1980s leads to even more startling results, as shown in the accompanying chart. We compared the 10 states with the lowest average annual unemployment rates in the years 1980–90 with the 10 states with the highest average annual unemployment rates. The median proportion of the population that was foreign-born was 1.56% in the high-unemployment states, compared with 3.84% in the low-unemployment states. More immigrants, lower unemployment (Vedder et al. 1994, A12).

The movement of immigrants to areas of low unemployment could contribute to the negative observed relationship. Indeed, the historical data show that immigration is affected by the rate of unemployment (see also Easterlin 1968, described below). But this cross-sectional study certainly provides no basis for believing that there is a *positive* relationship.

Morgan-Gardner Study of the Bracero Program's Effects

Morgan and Gardner studied the bracero program of guestworkers from Mexico that operated from 1942 to 1964. They estimated the number of native workers who lost jobs and the extent of the fall in wages.

They calculated that a 35 percent increase in the supply of labor (210,000 workers) due to the program (the approximate number between 1953 and 1964) caused a reduction of 51,000 jobs filled by natives. They also estimated a fall in wages of 9 percent, and they estimated a total *increase* of 120,000 jobs due to the decline in the wage rate. Morgan and Gardner are impressed by the relatively high responsiveness in the number of jobs to the changes in wages, and they also are impressed by the relatively small decline in the wage rate induced by an increase in the supply of labor of the magnitude of 35% (1982, 398–399).

This study is particularly relevant for understanding the effect of illegal immigrants who work in agriculture.

Easterlin's Study of U.S. Cyclical Unemployment

In earlier decades of this century, when immigration to the United States was quite free, the waves of immigration coincided with the waves of business activity in the United States. Immigration increased when the demand for labor was great, and decreased (or even became net out-migration, as in the 1930s) when demand for labor fell and unemployment rose. About immigration in the free-entry period before World War I, Easterlin concluded,

> [T]he swings in immigration were a response to corresponding swings in the demand for labor in the United States. The evidence is as follows:
>
> In the United States, turning points of long swings in output growth typically preceded those in the rate of immigration, suggesting that immigration was responding to changed conditions in the United States rather than abroad. . . .
>
> During long swings in the U.S., a rising immigration rate was typically preceded by a rising rate of growth in hourly wages and, as far as the limited evidence goes, a declining unemployment rate; a falling immigration rate tended to follow a decline in the growth rate of hourly wages and a rising unemployment rate. . . . Since the growth of the U.S. labor force from domestic sources, whether from demographic factors or participation-rate change, showed but slight evidence of long swings before World War I . . . the implication is that immigration waves were one of several symptoms of common origin, namely, alternating tightness and slack in the labor market associated with swings in the growth of labor demand. The immediate stimulus to migration was probably changes in unemployment conditions. There is a substantial similarity in the timing of out-migration waves from diverse areas of origin—different parts of Europe, Canada, Latin America, Asia, and even the rural sector within the United States. This observation is consistent with the view that these areas were responding to a common external stimulus such as swings in labor demand at destination (1968, 30–31).

The linkage between employment conditions and immigration had the beneficial effect upon the native labor force of reducing competition for jobs in bad times, while increasing the demand for labor in both good times and bad. There is no reason to doubt that future immigra-

tion would also respond to employment conditions in the United States and thereby reduce the severity of unemployment cycles, if it were unconstrained by quotas.

The picture with respect to flows of immigrants from various countries of origin into various countries in Europe since World War II fits very nicely with the last paragraph cited above from Easterlin (Zimmerman 1994).

Cyclical Effects in Australia

Withers and Pope (1985) studied quarterly Australian unemployment and immigration data from 1948 to 1982. They found no increase in the rate of unemployment due to immigration. They did find that unemployment influences later immigration, which accounts for the correlation between the series. Summarizing this study as well as several earlier studies of the topic, Chapman, Withers, and Pope (1985) concluded that "immigration has not increased unemployment within the range of Australian post-war experience."

Huddle's Writings

Professor Huddle's work would not even be mentioned in this review of scientific work if his writings had not been so widely disseminated, quoted, and relied on in public policymaking.

Huddle and 27 of his students in a labor seminar, juniors and seniors, mostly, conducted several field studies during a two-year period, 1981–1982. Their objectives were to determine what industries hire illegal aliens and to what extent illegals displace U.S. workers or shut them out of the labor market in the booming Houston-Galveston metropolitan area (Huddle, Corwin, and MacDonald 1985, introductory note). Huddle concluded that

> [t]he social and economic implications of the penetration of the economy by undocumented workers is dramatic. If the sample proportion of illegal worker participation is projected onto city, state, and national construction programs alone, we find that all male youths and minority youths, aged 16–24, could, in principle, have been removed from the rolls of the unemployed as of the time of our study, and that adds up to more than one million U.S. workers who have been displaced. (press release "FEDERAL GOVERNMENT . . . ," 1983, 3).

Huddle asserts that "[s]ome $18 billion per year are 'being siphoned off into the pockets of greedy employers' of illegal aliens" (press release, March 6, 1984, 1). And he recommends that "[a]rrest and deportation of illegal alien workers is currently the cheapest and fastest way of securing additional jobs for unemployed U.S. citizens" (press release "RAIDS ON. . .," 1983, 1).

According to Mr. Huddle's press releases and informal publications—he has never published his data or methods in a scholarly journal so that they can be checked by the reader, nor has he met other basic scientific criteria—he sent students to construction sites in the Houston-Galveston area. Wherever they observed illegal immigrants, Mr. Huddle simply assumed that natives would be working if there were no immigrants. He then projected that assumption onto the United States as a whole, arriving at an estimate of 1 million natives thereby caused to be permanently unemployed, translating this into one native remaining unemployed for every four immigrants employed.

Mr. Huddle's method of estimating the unemployment effect does not take into account the processes of adjustment; few workers remain permanently unemployed even if they lose jobs, and as some workers move up the job ladder, they leave behind opportunities for the less skilled. And his method counts only the jobs immigrants work at, disregarding the other side of the basic equation: Additional people, whether immigrants or youths entering the labor force, not only take jobs but also make new jobs by spending their earnings on the output of other workers, thereby supporting additional employment. This equation explains why the rate of unemployment is not greater in populous states than in sparsely populated states, and why the unemployment rate is not greater now than a century or two centuries ago, even though there are many more residents (and immigrants) now than then.

I think it fair to say that no reputable economist would consider the writings of Huddle to prove anything whatsoever about the supposed permanent loss of jobs by natives due to immigration. Again, I mention Huddle's reports here only because they have been publicized heavily by the INS and discussed extensively in the press.

Effects on Employment of the Less Skilled, Minorities, and Women

Muller and Espenshade: Cross Section of Metropolitan Areas

Muller and Espenshade examined black unemployment in 247 metropolitan areas in the

United States and 51 metropolitan areas in California, New Mexico, and Arizona (states with large proportions of persons from Mexico). They related the rate of unemployment among blacks to the percentage of Hispanics in the population, holding constant the percentage change in population between 1970 and 1980, the percentage of income from construction and durable goods industries, the percentage of blacks with a high school education, and the rate of unemployment for whites. They found as follows:

> Black unemployment rates are not increased—if anything, they are lowered—by a rise in the proportion of Mexican immigrants in a local labor market. In the U.S. sample regression, signs of the remaining coefficients are as one would expect. Thus, after accounting for general labor market conditions, most of the variation in black unemployment rates among metropolitan areas can be attributed to differences in black educational attainment, in the rate of population growth, and in the degree of durable goods manufacturing and construction. In the regression based on the Southwest sample, only the level of white unemployment stands out as statistically significant (1985, 99–100).

Muller and Espenshade also made a special study of the effect of Hispanic immigration upon blacks, the group which they adjudged to be the Hispanics' closest competition in the labor market. They first examined the rates of labor force participation and unemployment for the years 1970, 1980, and 1982, covering a period of heavy immigration within Los Angeles County, with these results:

> Blacks generally, and black teenagers especially, do not appear to have been harmed by immigration in the period from 1970 to 1981.
>
> During the 1970s and into the 1980s, adult labor force participation rates increased in the Los Angeles metropolitan area and in California, reflecting a national pattern of rising labor force participation. Throughout the period, participation rates in Los Angeles continued to exceed the national average, maintaining a fairly constant lead. Teenage labor force participation rates also increased over the period, and the rates for black teenagers in Los Angeles and in the state showed gains relative to the rate for black teenagers in the nation. By contrast, participation rates for all teenagers in Los Angeles declined relative to the national average, dropping below the national labor force participation rate for teenagers by 1982.
>
> An examination of labor force participation data for Los Angeles by sex and race from the 1970 and 1980 censuses indicates that black women had gains that were above the average for them nationwide, while black men experienced a decline that was somewhat lower than the decline for them nationwide. And in 1982, when unemployment in California reached its highest rate in four decades, nonwhite labor force participation rates for both teenagers and adults in the Los Angeles area continued to exceed national rates.
>
> Native workers who find their jobs jeopardized by immigrants may experience higher rates of unemployment, if they do not drop out of the labor force altogether. . . . The period from 1970 to 1982 was marked by rising rates of unemployment, both nationwide and in California. For all groups in the United States, unemployment rates more than doubled. The smallest increases were for blacks in Los Angeles—27 percent for adults and 35 percent for teenagers—followed by black teenagers in California. In sum, trends in unemployment rates do not provide evidence of sharp job competition between immigrants and blacks (1985, 96–97).

Muller and Espenshade also tackled the difficult problem of estimating the number of new low-skill jobs created by Mexican immigrants. They compare

> the total labor force in the nation's twelve largest metropolitan areas—areas that, with the exception of Dallas, Houston, and Los Angeles, have relatively few Mexicans in the labor force—and use this average as a guide to what might be expected in Los Angeles in the absence of Mexican immigration. The actual number of operatives and laborers in Los Angeles in 1980 was 60,000 larger than the number predicted using this procedure (1985, 149).

This estimate jibes well with their estimate of the relevant number of Mexicans in various manufacturing jobs in Los Angeles. This "direct" effect may be compared with the estimate of 210,000 recent immigrants from Mexico.

Muller's Study of Los Angeles

Even the job prospects for black teenagers do not appear to be adversely affected by the influx of immigrants. Total teenage unemployment in Southern California is close to the national average, but unemployment among black teenagers is substantially lower than average (1984, 14).

McCarthy and Valdez Study of California

McCarthy and Valdez use methods similar to Muller and Espenshade (described above)—analysis of census and Department of Labor data on employment, unemployment, wages, and

population for Los Angeles and California compared with the United States as a whole in 1970 and 1980. They arrived at results similar to those of Muller and Espenshade.

> Immigrants appear to have provided a net benefit to the California economy by supporting industrial and manufacturing growth.
>
> Their negative labor market effects have been minor and concentrated among the native-born Latino population (McCarthy and Valdez 1985, 24).
>
> This lack of effect is particularly striking because the growth in employment was large: While between 1970 and 1980 low-wage employment fell by 5.2% in the United States as a whole, it grew by 46.1% in California and by 52.7% in Los Angeles; the corresponding figures for moderate wage industry were increases of 4.3%, 20.6%, and 6.9%, and in high-wage industry were 7.8%, 27.6%, and 11.4% (McCarthy and Valdez 1986, 40).

DeFreitas's Study of the Effects of Hispanics

DeFreitas used a sample from the 1980 census to investigate the effects of Hispanics—"the majority illegal," in his words—upon male and female groups of Anglos, blacks, and Hispanics, separated into native and foreign born, who immigrated between 1975 and 1980.

DeFreitas examined the effect on the number of weeks worked per year and on the amount of unemployment. He found that "[f]or no racial/ethnic group, male or female, is there a discernible negative effect of illegal immigration on employment. In fact, most of the estimated coefficients are positive" (1986, 24).

Borjas's Study of the Survey of Income and Education Data

Borjas (1983) studied the substitutability of black, Hispanic, and white workers in the 1976 *Survey of Income and Education* and found Hispanics to be complements rather than substitutes for blacks, and perhaps for whites as well. No distinction was made between native and immigrant Hispanics. Nevertheless, this evidence provides strong confirmation for DeFreitas's finding.

Sorensen-Bean-Ku-Zimmerman Study across Metropolitan Areas

Sorensen et al. studied the effects in 33 metropolitan areas of the extent of foreign-born population upon the weeks worked of white males, black males, and Hispanic males. "We find that immigration has a very small negative effect." None of the groups suffered a loss of employment that was significant statistically, though the effect on Hispanics came close, an elasticity of .07 with respect to the proportion of foreign born (1992, 95).

Card on the Effects in Miami of the Mariel Boatlift

Card (1990) studied the effect of the immigration into Miami that resulted from the Mariel boatlift in 1980. He found that blacks and women did not suffer displacement from jobs despite the huge influx (in proportional terms) of Cuban immigrants in that area.

Altonji and Card: Effects on Unemployment of the Less Skilled

Joseph G. Altonji and Card studied the effects of immigrants on less-skilled natives in 1970 and 1980 data on cities. "We find little evidence that inflows of immigrants are associated with large or systematic effects on the employment or unemployment rates of less skilled natives" (1991, 226).

* * *

Please do not worry that the older studies cited in this and the following chapters are obsolete. It takes years to carry out a valid study, and the relevant economic conditions change little from decade to decade. Rest assured that there are no brand new studies that contradict the older ones.

5. *Effects of Immigration on Natives' Earnings*

The Fix-Passel Review of Effects on Aggregate Earnings

Fix and Passel reviewed the studies concerning the effect of immigration on wages of natives across industries and without distinguishing among groups of natives. They summarize as follows.

> Immigration has no discernible effect on wages overall. . . . Wage growth and decline appear to be unrelated to immigration—a finding that holds for both unskilled and skilled workers (1994, 48).

Here is another summary among many, particularly relevant because it is by George Borjas, an economist whose work is often cited favorably by anti-immigration groups. "The empirical evidence indicates that immigrants only have a minor effect on the earnings and employment opportunities of natives." About illegals in particular, he writes, "There is no evidence . . . that illegal immigration had a significant adverse effect on the earnings opportunities of any native group, including blacks" (1990, 221, 90).

Many of the relevant studies now will be mentioned separately.

DeFreitas and Marshall on Manufacturing Employment

DeFreitas and Marshall related the percentage in 1980 of manual workers in metropolitan manufacturing sectors who were born abroad to the average annual rate of change from 1970 to 1978 in the hourly earnings of manufacturing production workers in those metropolitan areas. They found that

> higher concentrations of foreign-born manual workers have a statistically significant negative impact on wage growth rates. However, the magnitude of the estimated impact is relatively modest (less than one percentage point slower wage growth with every 10 percent increase in the immigrant share of manufacturing jobs), and it is significant only in metropolitan areas in which 20 percent or more of manual workers are immigrants (1983, 155).

Butcher and Card on Wages across Cities

Butcher and Card "track[ed] wages in 24 major cities during the period from 1979 to 1989" using microdata from the U.S. Census and Current Population Surveys. They conclude,

> [T]he evidence we have assembled for the 1980s confirms the conclusions from earlier studies of 1970 and 1980 census data. In particular, we find little indication of an adverse wage effect of immigration, either cross-sectionally or within cities over time. Even for workers at the 10th percentile of the wage distribution, there is no evidence of a significant decline in wages in response to immigrant inflows (1991, 296).

LaLonde and Topel on Natives' and Immigrants' Earnings

LaLonde and Topel studied immigrants' and natives' earnings and education in the 1970 and 1980 U.S. censuses and found that

> although it is true that immigration has small effects on equilibrium wages, virtually all of this burden falls on immigrants themselves. Labor market effects for nonimmigrants are negligible. Taken together, these results suggest that any adverse effects of current immigration flows on the U.S. labor market and on native welfare will be small (LaLonde and Topel, 1991, 302).

> . . . the decline in the native wage attributable to an increase in the supply of immigrants is numerically

small. For instance, a 10-percent increase in the size of the immigrant population reduces native earnings by .2 percent. A doubling of the number of immigrants in the local labor market, therefore, reduces the native wage rate by only 2 percent. The overwhelming consensus of the literature seems to be that native and immigrant workers are, on average, weak substitutes in production. Despite all of the worry and discussion over the presumed large adverse impact of immigration on native earnings opportunities, careful empirical research suggests that this concern is not justified. The earnings of the typical native are barely affected by the entry of immigrants into the local labor market. Moreover, the studies summarized in Table 5.1 indicate that disaggregating the labor force by sex, age, race, and ethnicity does not alter this basic finding. . . .

It is often argued that blacks are the one group whose economic progress is most likely to be hampered by the entry of immigrants into the United States. Perhaps the most surprising insight provided by the recent econometric evidence is that no study finds any evidence to support this claim. . . .

Recent econometric research, therefore, has not been able to establish a single instance in which the increase in the supply of immigrants had a significant adverse impact on the earnings of natives (1990, 86–88).

. . . the entry of Mexican-born illegal aliens barely affects the earnings of natives. A 10-percent increase in the size of the Mexican illegal-alien population reduces the earnings of Mexican-American men by .1 percent; does not change the earnings of black men; reduces the earnings of other men by .1 percent; and increases the earnings of women by .2 percent. There is no evidence, therefore, to suggest that illegal immigration had a significant adverse impact on the earnings opportunities of any native group, including blacks (1990, 90).

Smith-Newman Study of Wages in Texas

Smith and Newman (1977) performed the first convincing study of the effect of immigration upon wages, analyzing the effects of legal Mexican immigrants in various Texas cities with differing proportions of Mexicans in the population and at different distances from the border. They found that wages (actually, yearly incomes with adjustments for hours and weeks worked, as well as for age, education, occupation, and migration history) were 20 percent lower near the border, where the Mexican population is proportionally greater, than away from the border. But when they adjusted for the cost-of-living differences between these cities, the differential was reduced to 8 percent.

Grossman's Study of 19 Metropolitan Areas

In theory, immigrants will lower the wages of natives (a) to the extent that there is substitution between capital and labor; if the quantity of labor is relatively large with respect to the quantity of capital, the output per worker is relatively small, and hence wages are relatively lower; and (b) to the extent that there is substitution between immigrants and natives; if immigrants and natives can do the same job, in the presence of condition (a), the wages of natives will be depressed by immigrants. To the extent that the two kinds of labor do not substitute for each other, the effect of the capital constraint upon natives is mitigated.

Grossman (1982) estimated the effect of foreign-born workers upon second-generation workers, and upon native workers, in a sample of 19 metropolitan areas. In addition to the proportions of these groups in the labor force, she introduced a variable for quantity of capital. Her results implied a slight negative effect of immigration upon native wages. Her results must be qualified by the smallness of the number of observation, by the fact that the foreign born represent all ages and lengths of time in the United States, and by the puzzling fact that the number of natives seems to have a strong negative effect upon their own wages—puzzling because larger cities are observed to have higher rather than lower wages.

Chiswick-Chiswick-Miller Cross-Country Comparison

B. Chiswick, C. Chiswick, and Miller (1985) examined the ratio of skill-adjusted immigrant wages to native wages in five countries where the proportions of immigrants differ markedly—the United States, Britain, Canada, Australia, and Israel. The fewness of the observations (five countries) causes doubt about the validity of the analysis. They found that immigrants and natives are close (though not perfect) substitutes. But this does not imply that immigrants increase native unemployment, for reasons given in Simon (1989, chapters 11 and 12).

Effects on Wages of Minorities and the Poor

Fix and Passel Summary of Effects on African-Americans

Immigration has no negative impacts for black workers taken as a whole, according to the evidence. But less skilled black workers and black workers in high immigration areas with stagnant economies are negatively affected. Given the far higher unemployment rates of African-American males than white males, it is not surprising that this is one of the most frequently examined issues in the economics of immigration and benefits from the most recent research. Particular findings that inform this issue include:

> Native African-Americans in areas of high immigration fared better than native African-Americans in low-immigration areas in terms of wage and employment growth. In high-immigration areas, however, native African-American wages do not keep pace with the rising wage trends that immigration brings for Anglos and Hispanics [citing Enchautegui 1993].
>
> Immigrants increase the labor market opportunities of African-Americans in strong local economies but reduce them where labor demand is weak [citing Bean, Fossett, and Park 1993]. Thus, increased immigration may hurt African-Americans in recessionary periods and help them in periods of growth. This finding qualifies the results of two studies of high-immigration regions—New Jersey [citing Espenshade 1993] and Miami [citing Card 1990]—which found no effects.
>
> Immigration increases the percentage of the overall labor force that is employed but reduces the weekly earnings of less skilled African-American men and women [citing Altonji and Card 1991].
>
> Selected ethnographic studies find that employers prefer immigrants to native black workers, particularly in low skilled jobs [citing Kirschenman and Neckerman 1991]. They also find that employers rely on informal networks when looking for new hires in immigrant-dominated sectors of the economy. Use of immigrant networks reduces the employer's recruitment costs at the same time that it effectively excludes African-Americans and other non-immigrants from the hiring process [citing Waldinger 1993; Fix and Passel 1994 and forthcoming, 49–50].

Urban Institute Study of Los Angeles County

From the data in Table 5.1, Muller concludes that the picture with respect to wages is different from what he found about unemployment.

> There is little doubt that wages in several occupations and industries rose more slowly in Los Angeles than elsewhere as low skilled immigrants, primarily Hispanics, entered the labor force . . . most notabl[y] in the manufacturing sector, particularly among production workers in industries where wages have been traditionally low such as in apparel and textile production and in relatively low-wage industries such as restaurants, personal services, and hotels where many Mexicans are employed.

The relative declines in low-skill wages are especially noteworthy because wages in general rose 9 percent more rapidly in Los Angeles than in the rest of the country between 1972 and 1980.

Table 5.2 shows a lack of effect upon blacks in three of the four lower-pay categories. And this finding seems not to be a statistical artifact: Muller and Espenshade conducted analyses similar to those described above for unemployment and for wages of blacks, and found an effect that was statistically significant but very small in magnitude—$85 yearly, if the proportion of Hispanics would be 7.5 percent rather than 5 percent in the given area, to be compared to average black family income of $15,818 in that year. Muller and Espenshade suggest that Hispanics and blacks are not close competitors in labor markets; yet this finding needs more explanation.

DeFreitas on Wages of Various Groups

DeFreitas (1986) found no negative effect of immigrants upon the wages of any group except black females.

> For all low-skilled native men the results indicate that there are no significant negative effects on their wage levels from recent Hispanic immigration. In fact, such migration has a significantly positive influence on the Anglo-male earnings. . . . The only persons whose wages appear to have been somewhat adversely affected by illegal migration since the mid-70s are black women. . . (p. 23).

The effect DeFreitas found is "relatively small" (p. 23). It must be noted, however, that the immigrants DeFreitas studied had been in the country up to five years; if the effect is mainly in the first year or so, rather than being more permanent, these data could not be expected to show it.

Bean-Lowell-Taylor

Bean, Lowell, and Taylor (1986) estimated the effect of the number of undocumented Mexican workers (1980) in the labor markets across the

Table 5.1

Muller's Comparison of Wages, Los Angeles County and the United States, 1972–80

	Los Angeles Wages, 1980 ($)	Increase in LA Wages, 1972–80, as a Percentage of U.S. Wage Increase	Mexican Immigrants as Percentage of All Workers, 1980
All workers	15,594	108.8	9.9
Low-wage manufacturing[a]	5.06[b]	76.7	47.1[c]
High-wage manufacturing[d]	7.97[b]	90.7	19.5[c]
All retail	9,469	108.3	9.5
Eating and drinking establishments (restaurants, bars)	5,591	89.1	16.8
All other retail	11,196	108.4	6.6
All services	14,099	115.8	5.5
Hotels, etc.	7,312[e]	95.1	15.0[e]
Personal services	8,069	92.2	15.2
All other services	14,659	117.2	3.9
Finance, insurance, and real estate	15,590	104.4	2.6

Source: Muller and Espenshade, 1985, p. 111.
[a]Includes leather goods, apparel, textile mills, lumber and wood products, and furniture and fixture industries.
[b]Hourly wages include only production workers.
[c]Production workers only.
[d]Includes metals, machinery, stone, clay, and glass, food, and transportation equipment industries.
[e]Estimated.

Table 5.2

Increases in Median Wages in Los Angeles County and California between 1969 and 1979 as a Percentage of the National Increase

Sex and Selected Occupation	Los Angeles	California[a]		
		Hispanics	Blacks	Others[b]
Men				
Engineers	95.3	99.5	98.3	97.4
Craftsmen	90.2	83.7	93.1	101.4
Operatives	62.2	71.4	94.7	90.4
Laborers (manufacturing)	62.0	85.3	103.1	87.7
Women				
Registered nurses	98.8	84.0	103.1	93.2
Administrative support	95.5	95.1	99.4	96.5
Operatives	71.5	80.8	101.5	90.1
Service workers, except private household	78.8	78.0	82.1	85.4

Source: Muller and Espenshade, 1985, p. 118.
[a]Comparative growth rates based on Hispanics, blacks, and others in the United States.
[b]Estimated, based on median wage data.

Southwestern United States upon annual earnings in 1979 of six labor force groups—(a) undocumented, (b) legal, and (c) native-born Mexican-origin males; (d) black males; (e) non-Mexican origin white males; and (f) females. The (statistically significant) effects of illegal Mexican immigrants are negative upon white males' wages (substitution) and positive (complementarity) upon females' wages. The effects of legal Mexican immigrants upon native-born Mexican males and black males are positive. The magnitudes of the effects are hard to interpret but the authors refer to them as "not very sizable. The concern that undocumented immigration may be depressing the earnings of native-born workers does not appear to be borne out by these results" (p. 15).

Sorensen-Bean-Ku-Zimmerman Study of Metropolitan Areas

Sorensen et al. (1992) used the same technique mentioned above (in connection with their study of hours worked) to examine the effects of immigration on earnings. Their "basic finding is that immigration has a very small effect on native earnings" (p. 91). The elasticities (with respect to the proportion of foreign born) are +.03, −.07, and −.04 for native white males, black males, and Hispanic males, respectively. But my interpretation, contrary to the language used by Sorensen et al., is that these effects may not be negligible. A foreign-born population of 20 percent rather than 4 percent (conceivable proportions) would mean 35 percent lower wages for blacks, according to this analysis.

Effects in Particular Industries

Both theory and the econometric studies cited above suggest that the overall wage level is affected little, if at all, by aggregate immigration. Special demographic groups (such as blacks) show little or no effect. In contrast, occupations and occupational strata that receive disproportionate increases in immigration should reasonably be affected upward or downward in incomes, depending on whether the occupation receives immigrants at a higher or lower rate than average.

Immigrant doctors constitute 20.5 percent of the total of U.S. physicians, much higher than the overall percentage of immigrants in the labor force (perhaps 1 person in 10); in contrast, immigrant lawyers (and judges) constitute only 3.5 percent of U.S. lawyers, much lower than the average percentage (*Washington Post*, April 18, 1994, A6). As a consequence, the earnings of American-born physicians surely are somewhat lower than if there had been no immigration, and surely the earnings of American-born lawyers are at least slightly higher than otherwise. There undoubtedly has been an increase in the demand for lawyers' services because of the larger rate of increase of potential immigrant clients than of immigrant lawyers to service them. The middle-education class (in which immigrants are disproportionately few) also should benefit by immigration, whereas high- and low-education groups might be expected to suffer somewhat in their earnings from the relatively high rate of immigration compared with the native labor force.

However, a review of studies of particular industries by Fix and Passel concluded as follows.

> The majority find no more evidence of displacement than is revealed by the aggregate data. Even studies of more highly skilled occupations, such as registered nurses, find no strong evidence of displacement (p. 51, citing Levine, Fox, and Danielson, 1993, on nurses).

The entire set of findings concerning earnings is summarized by a table of Borjas's that I have adapted as Table 5.3. He summarizes in words

Table 5.3
The Effects of the Immigrant Population on Native Earnings

	Changes in Native Wages Resulting from a 1 Percent (.01) Increase in the Population of Immigrants (percent)
All native-born Americans	−.0002 (.02 percent)
White men	−.0002 to −.0001
Black men	−.0003 to +.0002
Women	+.0002 to +.0005
Young blacks	−.0001
Young Hispanics	−.0003 to +.0002
Manufacturing workers	−.0004

Source: Adapted from George J. Borjas, *Friends or Strangers: The Impact of Immigration on the U. S. Economy*, New York: Basic Books, 1990, p. 92.

as follows: "[I]mmigrants have a negligible impact on native employment opportunities" (p. 91).

Self-Employment

Considering the entire stock of immigrants in the United States as of 1980, Borjas (1990, 165) found that they are slightly more likely to be self-employed than natives—12.2 percent to 11.4 percent. And those who are self-employed make slightly more money than self-employed natives. (See Table 5.4; a modest interpretation indicates no meaningful differences.) To the extent that self-employed persons create jobs for others, these numbers suggest that immigrants create jobs in similar proportion to the extent to which they fill jobs. This in part explains how it can be that a larger number of immigrants does not imply increased unemployment among natives.

Table 5.4
Self-Employment among Immigrants in the United States and Canada

	Self-Employed Workers (percent)	Annual Income of Self-Employed Workers (native dollars)
All U.S.-born workers	7.1	n.a.
Immigrant U.S. workers	9.2	n.a.
All U.S. men	11.4	23,000
Immigrant U.S. men	12.2	24,000
All Canadian-born workers	6.8	15,000
Immigrant Canadian workers	7.9	16,000

Source: Moore, 1994, Table 3.
Note: U.S. figures are for 1980; Canadian figures are for 1981.

6. *Receipt of Welfare and Other Government Expenditures*

This chapter and the next bring data to bear on whether immigrants are a burden on, or a benefit to, natives by way of the public coffers. This chapter estimates the outflows of expenditures for public services used by immigrants; Chapter 7 then estimates the inflows of taxes from immigrants and finally considers the net balance between inflows and outflows.

The available data that bear upon the subject fall into three categories: (a) crude and partial, (b) somewhat aged, and (c) Canadian. None of the three gives a completely satisfactory answer in itself. But the conclusions reached with all three types of data are similar, so there is considerable assurance that the overall conclusion is reliable. If one prefers not to rely on the crude and partial data, which embody some very rough assumptions, then one is left with the 1975 data, and there are no other data invalidating the 1975 survey.

The Crude and Partial Data

The appropriate mode of analysis of the effect of immigrants on the public purse is a present-value assessment based on the lifetime experience of the relevant cohorts of immigrants. This sort of analysis examines each of the past cohorts as a separate observation. If the analysis is to be meaningful, the cohorts must be much the same from period to period relative to natives; this requirement was met reasonably well in the United States data through the 1970s. Unfortunately, there are now no suitable data available for life-cycle analysis. Therefore, various researchers have recently attempted to make do with data on the various entry cohorts, mostly considering them lumped together.

There is also interest in the partial calculation of the flows of funds to and from states and local government alone, leaving out the flows with respect to the federal government. Such a partial analysis certainly is a legitimate interest for the nonfederal governments, because it measures the effects on their own coffers; a negative flow to them, even if there is a positive flow to the federal government, certainly suggests an inquiry into the controlling federal policies, though from the point of view of the public as a whole, a negative effect on nonfederal governments alone would not constitute sound grounds to reduce immigration.

This section pulls together what may be learned from this body of work based on messy recent data. (In the appendix there is also discussion of some widely promulgated but entirely flawed papers that purport to bear on this subject.)

The bare facts are particularly illuminating with respect to this topic. There is wide belief in these two assertions about current immigration: (1) Federal expenditures on immigrants have been increasing. (2) Government expenditures on recent immigrants are greater than expenditures on natives. Both of these assertions are false. Expenditures considered to be "welfare" in discussions of immigration (though there are many other expensive means-tested programs for which data on immigrants and natives have never been shown) now total about $404 per person annually for immigrants, and about $260 for natives in about 1992. But these sums are a drop in the bucket of total government social outlays on immigrants and natives. As we shall see, the relevant total is roughly $3,800 for natives; no meaningful total can be computed for immigrants because of differing lengths of time in the country. These magnitudes invalidate the two common beliefs noted above.

Estimating Narrowly Defined Welfare Expenditures

From census and administrative records, Rebecca Clark (1994) calculated 1990s' expen-

ditures for immigrants and natives on Aid to Families with Dependent Children (AFDC), food stamps, Supplemental Security Income (SSI), and General Assistance. Foreign-born persons taken altogether have perhaps a 10–20 percent higher probability (as distinct from dollar amounts) of obtaining these goods and services than do natives. From her data I estimate that federal expenditures total an average of $404 per year per immigrant, while the average native receives $260 (in about 1992). For those who wish more detail, there is a brief appendix at the end of this chapter.

Immigrants who arrived between 1970 and 1990 average receipts of slightly more than those who arrived before 1970. But this could well be the result of age and time in country rather than any differences in types of persons in the two cohorts (computed from Clark 1994, Table A2).

Nonrefugees who enter legally through quotas are not permitted to receive public welfare assistance for three years. Hence, they cannot have a high rate of use of these programs. Illegals are often afraid to seek such assistance. Refugees, however, are entitled to such assistance immediately upon entry, which (together with their needy circumstances) explains a much higher rate of use of welfare soon after arrival than for natives.

There is some slight evidence in Clark's data (Table B2) that post-1970 entrants use more of these welfare programs than do pre-1970 entrants (but lesser use by 1987 to 1990 entrants than by 1970 to 1986 entrants; recent entrants require some time to learn about such programs).

In earlier decades, too, there was greater use of welfare by immigrants than by natives. As of 1975, the Census Bureau's authoritative *Survey of Income and Education* (Simon, 1981; 1984; 1989, Chapter 5) showed that immigrants had higher welfare receipts than natives. And it was also true at the turn of the century, according to the report of the 1911 immigration commission (cited without specific quote by *Wall Street Journal*, April 25, 1995, 1).

Among foreign-born persons aged 65 years and over, a meaningfully greater—and growing—proportion receive welfare than among natives. This is the result of some immigrants having arrived too late to qualify for Social Security benefits; the welfare payments are a substitute for Social Security.

These data on narrowly defined welfare usage do not accord with the common belief that more recent immigrants are substantially different from previous immigrants with respect to welfare usage.

Use by Illegal Aliens

Illegal aliens usually do not obtain public services lest they be detected and expelled by authorities. The INS-Westat study of formerly illegal aliens legalized in 1986 under the IRCA program (U. S. Department of Justice 1992) shows substantially lower rate of use of welfare among this group than among natives. But because interviews are the source of the immigrant data, while official records are the source of the native data, it is quite probable that the rates of use by immigrants are understated.

Another survey (DaVanzo et al. 1994, 46) of an undocumented immigrant group probably as needy as any—Salvadorans—shows much higher rates of use: AFDC, 14 percent; food stamps, 22 percent; WIC (women, infants, and children), 33 percent; unemployment compensation, 8 percent; worker's compensation, 4 percent. For the undocumented population as a whole, however, in which half or more of the recent cohorts are more middle-class immigrants who are visa-overstayers rather than border-jumpers, it seems reasonable to expect perhaps half these rates.

For reasons to be discussed below when we return to the subject of undocumented aliens, there is no need for us to sort out these conflicting assessments of narrowly defined welfare use.

Relevant Government Expenditures Other Than Welfare

The data on the four federal "welfare" programs discussed above do not include most government payments to the elderly or expenditures for local public schooling. We now proceed to include them so as to assess total government expenditures on various cohorts of immigrants and natives.

Calculations about Social Security and Medicare, by far the most expensive government transfer programs, pertain more to natives than to immigrants. This is because immigrants typically arrive when they are young and healthy, and because older recent immigrants do not qualify for Social Security. And expenditures on long-time immigrant residents must be thought of differently than recent immigrants, as will be explained below.

Expenditures on immigrants for Social Security and Medicare are particularly difficult to estimate because the payments differ very much among age groups. And the sizes of the various age groups of foreign-born residents differ

greatly because of the deaths of older immigrants and the increasing rates of immigration in recent years. Nevertheless, I shall make rough estimates for arrivals since about 1970. Then I will explain why data for aged immigrants who arrived earlier are not relevant here. No total calculations will be made from these current incomplete data for any groups of immigrants, however, because the totals would be difficult to interpret and inevitably controversial.

Working from the *Statistical Abstract of the United States*, total federal expenditures of $305 billion in 1992 for Social Security and $133 billion for Medicare indicate (by dividing by the total population) expenditures per native of $1,305 and $566, respectively, for the two programs. The 1975 *Survey of Income and Education (SIE)* data (discussed below) suggest that the average receipt per immigrant who arrived within the past 25 years was (and probably still is) less than a fifth of the average expenditure per native—say $261 and $113 for 1992 for the two programs, respectively, for argument. (Some allowance for the public support of the recently arrived immigrant aged is embodied in the relatively heavy SSI payments that substitute for Social Security.)

Schooling costs estimated by Ms. Clark imply $536 per capita for immigrants, and $923 per capita for natives. The expenditures are lower for the immigrant population because the proportion of children among the total immigrant population is smaller than among the total native population, according to her data (telephone conversation). (Separate data for recent cohorts probably would show higher immigrant expenditures than the $552 estimated for all; see age distribution of immigrants in Figure 3.1.) For perspective, the dollar gap in schooling between natives and immigrants is several times as large as the gap in the public welfare discussed above, running the other way.

Regarding unemployment compensation, we can safely assume similar expenditures of $138 per capita for immigrants and natives, based on experience with unemployment compensation in the 1970s *(Statistical Abstract);* the possibility of important error is small here. For Medicaid it is reasonable to assume higher expenditures for immigrants than for natives in the same proportion as for the welfare programs above; both programs must reflect immigrants being somewhat poorer on average than natives. Federal and state Medicaid expenditures are about $90 billion and $70 billion, respectively, in the early 1990s, so expenditures per person are about $627 for natives and $752 for immigrants.

(Contrary to the assumption above that immigrants use more of welfare programs than do natives, Clark [1994] notes that a careful survey of food stamp use by the Food and Nutrition Service found that immigrants use less food stamps than do natives. She suggests that the FNS data are better than the census data, on which other welfare estimates are based, and that "[t]he findings from the food stamp quality control data suggest that if there is bias in the estimates for the other public assistance programs, the census-based estimates are more likely to overstate welfare costs associated with immigrants than to understate them" [p. 18].)

Total Government Expenditures Properly Defined

Now we can add together all transfer payments plus schooling costs. This is the appropriate measure of government expenditures to use in any assessment of the costs and benefits of immigration. The expenditures on natives per capita are much greater than the expenditures on welfare alone for either natives or immigrants.

Accurate but Aged Census Bureau Survey Data

The only source of data for the United States that is entirely competent to produce a satisfactory overall answer from a conceptual point of view—the massive and authoritative 1975 *SIE*—is two decades old. No U.S. survey since then has gathered data in a fashion that will enable us to make a satisfactory lifetime estimate of the tax-and-transfer effects of immigrants, and only such a lifetime assessment is a proper basis for an assessment of this matter. Therefore, recent auxiliary data and studies that bear upon projecting those earlier estimates onto the present situation also will be examined.

First will come the data and results from the *SIE*. Next, I will compare Akbari's analyses of recent Canadian surveys to the *SIE* results. Then come recent partial studies of welfare use and taxes paid. Last to be considered is whether the "quality" levels of immigrants have changed during recent decades in such manner as to make the earlier assessment inappropriate to the present situation.

The Basic *SIE* Study

In 1976 the Census Bureau surveyed 156,000 U.S. households (including about 15,000 mostly

legal immigrant families) to learn about 1975 family income and welfare services. From this sample—by far the best for its purpose that has ever been assembled anywhere—I constructed a picture of lifetime economic behavior by assuming that the information on immigrants who had been here (say) 2 years as of 1975 describes the representative immigrant family after 2 years, those here 10 years in 1975 stand for the 10th year in the United States of a representative family, and so on.

Outlays for Other Than Old-Age Benefits

Data on welfare and Supplemental Security payments, unemployment compensation, AFDC, and food stamps in 1975 are found in columns 1–4 in Table 6.1. The average native-born U.S. family received $498 from these programs in 1975. (The calculations include families getting no assistance.) There is not much variation among immigrant families that arrived between 1950 and 1974; the average was $548. There is not much difference between natives and immigrants.

Providing school for immigrant children during an average family's first five years in the United States cost slightly less than the $859 spent for the average native family, because immigrants tend to come before family completion. After that, expenditures on immigrants were higher, rising from $1,068 to $1,237 during the next 15 years. (The difference is not because immigrants have many children, but because the average native family is older, with a larger proportion of children no longer in school.)

Expenditures on the Elderly

Retirement programs bulk much larger than any other welfare-type costs for natives and in the economy generally. The 1975 data from the *SIE* showed that native U.S. families on average received $735 for Social Security, $167 for Medicare, and $20 for Medicaid, a total of $922. Immigrant families received a total of $92 during the first five years in the United States, $227 the second five years, $435 the third five years, and $520 the fourth and fifth five-year periods. The difference was large. Immigrants receive less Social Security and Medicare simply because of their youthfulness. As with groups of immigrants arriving in all countries throughout history, those coming to the United States tend to be young, strong, and often unmarried.

Data on the Canadian Experience

Ather Akbari (1989; 1995) conducted two similar studies for Canada, one using 1981 data and the other using 1991 data, from two separate sources (census data for 1981 and Survey of Consumer Finances for 1991). With respect to government expenditures on immigrants and natives, the results of his study of 1981 data are entirely consistent with my study for the United States using 1970s data, and his study of 1991 data shows no major differences from the study of the 1981 data.

Trends in Welfare Use by Immigrants

If there have been substantial changes over the decades in the propensity of immigrants to receive transfer payments, a synthetic analysis considering the various cohorts as parts of the same life cycle would be invalidated. Therefore, data on the changes over time in welfare use by immigrants must be examined; see Table 6.2.

To avoid confusion: Some have noted that, as Borjas says, "the probability of participation in public assistance increases the longer the immigrants reside in the United States" (Milken Institute 1994, 22). But this observation is neither new nor meaningful. Income and taxes typically increase with length of residence in the United Stated, too—a natural function of age and experience.

Also, please keep in mind that the proportions of persons receiving welfare are not fundamental; it is the dollars received that matter.

Table 6.2 shows that both native and foreign-born groups had barely perceptible declines from 1979 to 1989 in proportions receiving welfare. Those immigrants who entered 1980–1990 had a slightly lower rate of receipt than those who entered 1970–1979, giving no evidence of an increase (though it sometimes takes a while before immigrants learn to use the welfare system).

Among foreign-born persons aged 65 years and over, a more meaningful and growing proportion receive welfare than that among natives. As noted above, this is due to many immigrants having arrived too late to accumulate enough work time to earn Social Security benefits; the welfare is a substitute for Social Security. Clark sums up this section as follows:

> Among immigrants, high rates of welfare use are limited to one group of immigrants—those who entered as refugees—and one type of welfare—

Table 6.1

Dollar Values of Transfer Payments and Services Received in 1975 per Person, by Various Entry Cohorts, and by Natives[a]

Immigrant Cohort by Year of Entry	(1) Unemployment/ Workmen's Compensation, Veterans' Benefits ($)	(2) Public Welfare ($)	(3) Supplemental Security ($)	(4) Aid to Families with Dependent Children ($)	(5) Food Stamps ($) (and %)[g]	(6) Social Security ($)	(7) Medicare[b] ($) (and %)[g]	(8) Medicaid[c] ($) (and %)[g]	(9) Total, cols. 1–5 ($)	(10) Total, cols. 1–6 ($)	(11) Schooling Costs for Children Aged 5–17[d] ($) (and %)[g]	(12) Total, cols. 1–8 and 11 ($)	(13) Number of Families	
1974	204	131	91	91	15	3	29	32	532	535	820	1,416	154	1970–74
					(15)		(4.9)	(25.6)			(63)			
1973	238	47	63	6	7	49	23	12	361	410	755	1,200	171	
					(5)		(3.9)	(9.7)			(58)			
1972	237	85	38	164	12	127	42	24	536	563	781	1,510	188	
					(8)		(7)	(19.1)			(60)			
1971	261	189	16	13	17	5	2	14	496	501	716	1,233	202	
					(12)		(0.3)	(11.1)			(55)			
1970	341	100	50	11	16	34	45	19	518	552	1,042	1,659	224	
					(10)		(7.6)	(15.7)			(80)			
1965–9	339	191	86	18	12	152	48	27	646	798	1,068	1,941	977	
					(12)		(8.1)	(21.2)			(82)			
1960–4	385	91	69	18	12	326	88	21	575	901	1,237	2,247	769	
					(8)		(14.7)	(16.9)			(95)			
1950–9	301	122	31	50	11	424	76	20	515	939	1,237	2,292	1762	
					(9)		(16)	(15.6)			(95)			
Natives	288	108	46	45	11	735	167	20	498	1,233	859	2,279	11,212	
					(9)		(28)	(15.9)			(66)			
1976[e]	20	0	360	8	0	6	0		—	—		—	50	not relevant
					(0)		(0)	(10.2)			(38)			
1975[f]	40	76	6	88	7	31			—	—		—	204	
					(9)		(4.5)	(23.4)			(71)			
1920–49	239	32	73	11	3	2,229			—	—	—	—	3697	
					(3)		(80.5)	(11.8)						
Before 1920	164	30	116	56	3	3,090			—	—	—	—	1075	
					(3)		(12.9)	(18.6)						

Source: Simon, 1989, pp. 111–12.

Notes: The data for the 1975 and 1976 pre-1950 cohorts, though they are not relevant, are included because some have expressed interest in them.

[a]Means weighted by sample probabilities to be unbiased estimates of the United States.

[b]At $592 per patient-year.

[c]At $126 per patient-year.

[d]At $1,302 per child-year of schooling.

[e]Puerto Ricans not included with either immigrant or native.

[f]Data not reliable; percentages in parentheses indicate proportions receiving the service.

[g]Percentages in parentheses indicate proportions receiving the service.

Table 6.2

Percentage Receiving Welfare in 1979 and 1989 for Natives and Foreign Born

Line	Population, Age Group, and Period of Entry	Percentage Receiving Welfare 1979	1989
	All ages 15 years and over		
1.	Natives	4.3	4.2
2.	Foreign Born	4.8	4.7
3.	Entered 1980–1990		4.5
	1980–90 Refugees*	(X)	15.6
4.	Entered 1970–1979	(X)	4.7
	15–65 years of age		
5.	Natives	3.6	3.7
6.	Foreign Born	3.0	3.3
7.	Entered 1980–1990		3.4
	1980–90 Refugees*	(X)	13.4
8.	Entered 1970–1979	(X)	3.2
	65 years and over		
9.	Natives	8.9	6.9
10.	Foreign Born	10.8	13.1
11.	Entered 1980–1990	(X)	30.7
	1980–90 Refugees*	(X)	49.6
12.	Entered 1970–1979		33.2

Source: Passel and Fix, 1994, Tables 1 and 2. Data originally from 1980 and 1990 Census, One-Percent Public-Use Microdata Sample (PUMS).

*Refugee countries include Afghanistan, Cambodia, Laos, Iraq, Vietnam, Ethiopia, Albania, Poland, Romania, U.S.S.R., and Cuba.

SSI. For other types of welfare, immigrants who did not enter as refugees are no more likely to use welfare than natives. In fact, for food stamps, immigrants who are not refugees or asylees are substantially less likely to use benefits than natives (Clark 1994, 18).

A reminder, however: The subject of this section—welfare narrowly defined—is relatively unimportant in the overall picture of government expenditures on immigrants and natives, as the first section showed.

Expenditures for Illegal Aliens

Earlier in the chapter, divergent estimates were shown for the extent of use of narrowly defined welfare services by undocumented aliens. But even if use is perhaps double that of legal immigrants instead of less than theirs—most unlikely indeed, given that few illegals would qualify for SSI, a key item for legal immigrants—it would not have a dominant effect on the overall balance. An expenditure of $600 per year per person would seem to be a high-side guesstimate.

Clark et al. (1995) estimated expenditures for 1994 federal incarcerations, schooling, and providing emergency medical services in connection with the populations of undocumented aliens in the seven states in which reside about 86 percent (2.9 million of the 3.4 million) of the total population of illegal aliens. The total estimates are as follows: incarceration, $474 million; Medicaid, $445 million; schooling of children, $3.1 billion (executive summary). The schooling expenses are considerably larger than for legal immigrants and exceed somewhat the expenditures for natives—say $1,070 per year per immigrant for schooling—and $320 per person for the total of incarceration and emergency medical care. Social Security and Medicare must be nearly zero because illegal aliens do not qualify.*

Adding these categories, on average, the total expenditure for illegal aliens is $1,690 per person. This amount may be compared with the total of perhaps $2,200 for legal immigrants. The

*The numbers in this paragraph have appeared in several slightly different forms, but the variation does not affect the overall picture being presented here. Rather than quote these figures, however, I suggest the reader consult the original.

estimate for illegal aliens is about 45 percent of the $3,800 expenditures per capita on natives (and of course taxes paid by illegals are lower, as shown above).

(Please notice that no allowance is made for incarceration costs in above discussions of legal immigrants and natives, which inflates the previously cited cost estimates for illegals relative to others. The incarceration costs are included nevertheless, because some persons may wish to have this information.)

Immigrants versus Natives with Similar Background Characteristics

Behavioral scientists habitually do not stop with considering aggregate behavior; nor do they typically focus upon the variables relevant for policy issues. Instead, they tend to ask about the effect of a given characteristic when as many other characteristics as possible are held constant econometrically. This implies inquiry into the effect of whether or not a given person is an immigrant while as many other life characteristics as possible are being "controlled." Many such studies have been carried out, and I report them here, even though—I repeat—they are not relevant to policy issues, simply because to leave them out would be to seem incomplete.

Blau (1984) inquired into the propensities of immigrants and natives in the United States with otherwise-similar characteristics to receive welfare (other than Social Security, not the amounts received) and answered that there are few important differences between the groups. Baker and Benjamin (1993) obtained similar results for Canada. Tienda and Jensen (1986; 1988) and Jensen (1988) also find for the United States, as Baker and Benjamin (1993) find for Canada, that the probability of receipt of public assistance, and the amount of receipts, is no greater for immigrants than for natives when a variety of demographic characteristics is held constant.

Using different (and, we think, more appropriate) methods, Akbari and I (forthcoming) tackle much the same question and arrive at much the same answer about amounts of receipts. Using data for both Canada and the United States, and spanning the years 1975 to 1990, we find a common pattern between the countries and over time, as follows: (1) When other characteristics are held constant, being an immigrant does not affect use of welfare services. (2) The overwhelming determinants of welfare services (other than for the aged) are family structure and education. (3) These findings are invariant over time and between the United States and Canada.

Family structure—and especially the presence of female-headed families with two or more children—is the most important determinant of the rate of use of transfer payments (aside from Social Security, Medicare, and other retirement transfers).

The fact of being an immigrant has little or no effect on welfare receipt when the other relevant variables are held constant.

Akbari and I also answer another question: Even if there is no difference between tightly defined demographic classes of immigrants and natives, are immigrants more likely than natives to be found in the demographic groups that receive more welfare? The result we find: Immigrant families are represented roughly proportionally (relative to natives) in the high-welfare-use categories.

The fact that the results are almost indistinguishable for the United States and Canada, despite the differences in decades, despite the difference in benefits paid for children and the difference in systems of selection of immigrants, suggests that there is an underlying general principle of human behavior at work that governs migration across time and space: the persons who are the most economically productive are the likeliest to move.

Differences among Groups

Behavioral scientists also tend to distinguish among the behavior of ethnic groups, and among immigrants by country of origin. But the distinctions are seldom (if ever) relevant for policy purposes. One may also find differences between natives and either (a) all immigrants taken together, or (b) some groups of immigrants, within particular states, as is the case for California. Such data may be relevant to the situations of particular states, especially with respect to their financial arrangements with the federal government. It would be misleading, however, to use such data as a representative sample for the United States as a whole, because the flows of immigrants to particular states often are not representative of the overall inflow of immigrants.

Appendix 6.1: Details on Recent Estimates of Categories of Welfare Expenditures

From a variety of sources, Rebecca Clark (1994) has ingeniously assembled more recent data on some of the welfare receipts and services used by immigrants and natives. She used indirect methods of estimate, such as treating countries of origin as proxies for whether the immigrants were refugees, asylees, undocumented persons, or legal immigrants. Yet her results seem believable.

The welfare-expenditure estimates are calculated as follows:

1. Total expenditures (about 1992) for natives; food stamps plus AFDC plus SSI plus General Assistance (Clark 1994, Table 3): in billions of dollars 19.9 + 18.8 + 18.1 + 3.7 = 60.5. Dividing by 232,922,000 natives (Clark, Table 1) yields ($60.5/232.9) = $260 per native.

2. The same calculation for immigrants: in millions of dollars 978 + 3,420 + 4,116 + 387 = 8,901. Dividing by 22,000,000 immigrants (Clark, Table 1) yields ($8,901/22) = $404 per immigrant.

The ratio of the two totals is ($404/$260) = 1.55.

If refugees are excluded from Clark's assessment, and only nonrefugees are considered, the difference between immigrants and natives is much less; the rate for those immigrants who entered between 1980 and 1990 is considerably below the rate for natives ages 15 and above. (The refugees are entitled by law to some of these payments from the moment of entry.) And a reminder: her calculations do not include payments to the elderly, who receive by far the most expensive welfare payments made by the government.

When immigrants are subclassified by legal category of entrance, the picture is quite different from that for all immigrants considered together. In an analysis of the 1990 Census, where the average household income (importantly different from the earnings concept referred to above) for natives was $37,300, 1980–1990 immigrants from countries where most of the immigration is legal received $34,800 (that is, 93 percent of natives), those from countries sending mostly refugees to the United States received $27,700, and those from countries sending illegals received $23,900 (Fix and Passel, forthcoming 1995, Figure 13). No information is now available on whether the picture was the same or different in earlier decades. If the subject of policymaking is legal immigration, the relevant concept is the earnings of recent legal immigrants, rather than earnings of all recent immigrants.

Natives and the foreign born receive welfare in much the same proportions—half a percent more by immigrants in 1979 and 1989 (see Table 6.1). Among those ages 15–65, there is an insignificant (half a percent) difference in the other direction.

7. *Taxes Paid by Immigrants and the Net Balance*

The amount of taxes a group pays depends largely upon the group's income. Hence we must discuss the absolute and relative trends in immigrant incomes.

Again, we have the problem that the only comprehensive data available on family income are two decades old. Therefore, results of the data discussed in the first section must be modified by the more recent partial data for individual male earners shown in the next section.

Data from the 1976 Survey of Income and Education

Data from the Census Bureau's 1976 *SIE* on family earnings and taxes paid by the various cohorts of immigrants are shown in Table 7.1. These earnings data enable one to estimate the taxes paid by immigrant families.

Within three to five years after entry, immigrant family earnings reached and surpassed earnings of the average native family (as of 1976); this catch-up is due largely to the youthful non- retired age composition of immigrant families. The average native family paid $3,008 in taxes in 1975. In comparison, immigrant families in the United States 10 years paid $3,369, those here 11-15 years paid $3,564, and those here 16–25 years paid $3,592. All the cohorts' payments substantially surpassed natives' payments.

Akbari found the same pattern in Canada for 1980. Immigrants who arrived in Canada between 1946 and 1976 contributed substantially more in taxes than did natives (1989, Table 4). And though the results vary somewhat, Akbari's data for 1990 also show much the same pattern (1994, Table 5).

These data, ranging over 15 years and two countries, corroborate each other that immigrant families tend to pay more taxes than do natives in most relevant cohorts.

It is *family* data such as these that are relevant for policy discussions, because the family is the relevant economic unit. Data to be considered later in this section (for completeness only) generally pertain to *individuals*.

Have There Been Changes in the Pattern of Taxes Paid?

As discussed earlier in Chapter 3, the earnings of successive cohorts of immigrant men since the 1960s have fallen relative to native men, both at the time of arrival and also later on. (See Table 3.3.) The gap between the mean earnings of (a) all new immigrant men and (b) adult natives 25–64 was wider in the 1980s than in the previous decade—27.9 percent versus 21.3 percent (averaging age-education adjusted cohorts, Borjas 1994, 1678). The gap between the mean earnings of immigrant men who entered in the 1970s and adult natives 25–64 also was wider in the 1980s than the comparable gap in the previous decade. This continues a downward relative trend from men who entered in the 1960s, a gap of about 10.5 percent.

As noted in Chapter 3, these relative shifts in earnings do not imply that the newer immigrants have a negative economic effect. But this trend does imply that the size of tax contributions by recent cohorts of immigrants relative to those of natives has diminished over the three decades. Or to put it differently, this trend (if it exists) brings persons who contribute a lower amount of "excess" taxes to the public fisc than would persons with higher earnings. From an analytic point of view, differences among cohorts imply that a present-value analysis using the synthetic method I applied to the 1975 data requires additional adjustments and qualifications.

Table 7.1
Family Earnings and Employment Data for Immigrants and Natives, United States, 1975

Immigrant Cohort by Year of Entry	(1) Head's Wages and Salaries ($)	(2) Spouse's Wages and Salaries (whether there is or is not a spouse) ($)	(3) Self-Employment Income ($)	(4) Total Wages[a] and Salaries ($)	(5) Total Family Earnings[b] ($)	(6) Number of Persons in Labor Force[c]	(7) Number of Earners	(8) Number of Persons Employed	(9) Number of Persons Unemployed	(10) Estimated Tax Paid ($) on Wages 0.29 × (4)	(11) Estimated Tax Paid on Earnings 0.29 × (5) ($)
1974	7,162	1,182	80	8,890	9,192	1.26	1.35	1.09	0.131	2,587	2,666
	(8,107)			(8,773)	(10,688)						
1973	8,351	1,774	497	10,880	11,387	1.45	1.45	1.35	0.071	3,166	3,302
	(9,150)			(10,087)	(9,996)						
1972	7,738	2,048	133	10,458	10,610	1.36	1.39	1.20	0.165	3,043	3,077
	(5,901)			(8,218)	(8,383)						
1971	7,603	1,574	1,409	9,416	10,826	1.33	1.28	1.17	0.115	2,740	3,140
	(6,549)			(7,615)	(9,871)						
1970	7,294	1,717	610	9,772	10,383	1.51	1.51	1.29	0.168	2,848	3,011
	(5,876)			(7,502)	(7,295)						
1965–9	8,313	2,070	635	11,543	12,247	1.49	1.54	1.36	0.130	3,359	3,552
	(7,334)			(8,996)	(9,597)						
1960–4	9,156	2,223	1,450	12,248	14,014	1.43	1.50	1.31	0.112	3,564	4,064
	(8,782)			(9,925)	(11,310)						
1950–9	9,592	1,874	1,090	12,343	13,542	1.47	1.55	1.34	0.117	3,592	3,927
	(8,285)			(9,787)	(10,309)						
Natives	7,503	1,614	722	10,164	11,037	1.26	1.37	1.18	0.090	3,008	3,201
	(8,203)			(9,782)	(10,377)						
1976	3,873	824	732	4,702	—	1.20	0.911	0.839	0.065	—	—
	(6,880)			(8,359)	—						
1975	5,520	659	149	6,531	—	1.21	1.30	1.14	0.094	—	—
	(8,675)			(8,896)	—						
1920–49	4,689	1,029	871	6,808	7,740	0.806	0.924	0.744	0.056	—	—
	(8,308)			(10,219)	(11,248)						
Before 1920	388	62	167	1,771	2,184	0.232	0.281	0.199	0.017	—	—
	(2,997)	(729)	(1,517)	(5,707)	(7,254)						

not relevant

Source: Simon, 1989, pp. 118–19.

Notes: Means weighted by sample probabilities, standard deviations in parentheses. The data for the 1975 and 1976 and pre-1950 cohorts, though they are not relevant, are included because some have expressed interest in them.

[a] Total wages and salaries include wages and salaries from other members of the household besides head and spouse, and hence column 4 should not equal the sum of columns 1–3.

[b] The figure for total family earnings may seem larger than warranted by the individual columns for head's and spouse's wages and salaries, and for self-employment income. The data do add up in a sample of individual records. The likeliest explanation is that the family earnings are top-coded to $75,000, and are entered directly, but the other categories are top-coded to $50,000.

[c] In principle, columns 8 and 9 should add to column 6. The discrepancies probably arise from different perceptions of the different questions.

The Net Balance of Costs and Benefits

The most important question from the point of view of economic policy is not directly about welfare, but rather about the *overall* effect of immigrants on the standard of living of natives by way of the public coffers, taking into account their effect through taxes as well as the welfare system. This sort of analysis—discussed at the start of this chapter—is appropriate with respect to the key policy decision about whether more or fewer immigrants should be admitted.

Flows from the Public Coffers

By summing the categories for the 1975 expenditures in the Census Bureau *SIE*, we find that the average immigrant family received $1,404 in welfare services in years 1–5 in the United States, $1,941 in years 6–10, $2,247 in years 11–15, and $2,279 in years 16–25. Natives averaged $2,279, considerably more than the immigrants get during their early years in the United States. The early years are more relevant than are later years because rational policy decisions weigh the distant future less heavily than the near future, for exactly the same reasons that a dollar in hand is worth more to us now than a dollar that will be in hand 10 years from now.

As to Social Security when immigrants grow older: The children of retired immigrants support them with their taxes, just as the children of natives do for their parents, so the retired immigrants are no special burden upon natives. This matter is discussed at length in Simon (1989, Chapter 5).

Flows to the Public Coffers

As shown above, the average native family paid $3,008 in taxes in 1975. In comparison, immigrant families here 10 years paid $3,369, those here 11–15 years paid $3,564, and those here 16–25 years paid $3,592—in all those cases, substantially surpassing natives' payments.

Net Effect on the Public Coffers

Having in hand both the amounts of taxes paid by immigrants and the amounts of welfare services they use, one may then compute the net balance, positive or negative, for immigrants as a group. Additionally, one can then compare their impact on the public coffers with that of natives. I will now present these calculations for the United States as of 1975, based on the *SIE*.

Assuming that 20 percent of taxes finance activities that are little affected by population size (for example, maintaining the armed forces and the Statue of Liberty), the consolidated data on services used and taxes paid show substantial differences to the benefit of natives: an average of $1,354 yearly for the first 5 years the immigrant families are in the United States, and $1,329, $1,525, and $1,383 for years 6–10, 11–15, and 16–25, respectively. These are the amounts that natives are enriched each year through the public coffers by each additional immigrant family on average. Evaluating the future stream of differences as one would evaluate a dam or a proposed harbor, the present value of an immigrant family discounted at 3 percent (inflation adjusted) was $20,000 in 1975 dollars, almost two years' average earnings for a native family; at 6 percent the present value was $15,000; and at 9 percent it was $12,000. (All these data are based upon the total stock of immigrants in the United States, without distinction as to whether they are legal or illegal. Illegals are likely to be underrepresented in the survey because of their reluctance to deal with public officials, but the Census Bureau has found that a large proportion of them do respond to such surveys. The underrepresentation is not likely to have a significant effect upon the overall calculations above, and, if anything, it is likely to cause an understatement in the benefit to natives.)

There are other costs for some groups of immigrants, too. For example, during the period prior to the *SIE*, the federal government paid $1,000 per person to resettlement organizations to cover overhead and start-up money for Vietnamese, Soviet Jewish, and other refugees. This expense and such costs as special refugee schooling should be deducted from the above present-value calculation for the average immigrant family. But it is unlikely that these deductions would make the calculation negative.

Qualification

As discussed above, the data for the 1980s for relative earnings (and hence taxes) for individual native and immigrant men are sufficiently different from the data for earlier cohorts that it may be prudent not to rely on a synthetic-lifetime study which includes later cohorts along with the earlier cohorts. But taken together, these data do *not* indicate that the earlier findings are no longer relevant.

Furthermore, the 1975 data for the United States are corroborated by two similar studies for Canada by Ather Akbari (1989; 1995), one using 1981 data and the other using 1991 data, from two different sources (census data for 1981 and Survey of Consumer Finances for 1991). The results of Akbari's study of 1981 data are entirely consistent with my study for the United States using 1970s data, and his study of 1991 data shows no major differences from the study of the 1981 data or my study of U.S. 1975 data.

Net Balance for Undocumented Aliens

In the previous chapter, the expenditures on illegal aliens were estimated to be about $1,390 per capita, which is considerably less than for legal immigrants and about 38 percent of the level for natives. This means that, if, on average, illegal immigrants pay at least 38 percent as much taxes as natives, they will be paying their own way.

Clark et al. (Table 6.2) estimate that the 2.8 percent of the undocumented population in the seven states pays 1.3 percent of the total of sales, income, and property taxes, or 1.3/2.8 = 46 percent as much taxes as natives. If—and there seems little reason to estimate a higher or lower figure—the same proportion holds for total taxes, then taxes paid by illegals more than offset the costs of the services that they use. That is, the 46 percent of the average natives' inflow that immigrants pay in taxes is a greater amount than the 38 percent of the average natives' outlays on the illegals. And assuming that total U.S. inflows balance total outlays, and that other public outlays on account of illegals are not greater than for natives (indeed, they surely are much less), illegals are more than paying their own way and are contributing to the public coffers. If one were to make any reasonable accounting for the low marginal expenditures on public goods such as defense and foreign activities in connection with illegals, the accounting would look even more favorable for illegals.

8. *Effects on Natural Resources and the Environment*

Does adding immigrants to the population cause greater natural resource scarcity for natives? Does immigration cause degradation of the environment?

The impact of immigrants on the environment, and on supplies of natural resources and energy, is similar to the impact of any additional citizens, whether born in the United States or abroad; immigration raises no special research problems. But the effects of additional people on the environment is itself a complex topic, fraught with argument and confusion. A large portion of my book *The Ultimate Resource* (revised edition out in early 1996) is devoted to discussion of just this issue. The relevant propositions may be summarized as follows:

Supplies of Natural Resources

In the very short run, an additional person necessarily causes increased cost, higher prices, and increased scarcity. But the long-term trends for virtually every raw material (including energy) are toward sharply lower prices and *increasing availability*. These trends have occurred during periods of increasing population. That is, natural resources over the long run have been getting less scarce rather than more scarce, as indicated by the fundamental economic measure of cost. The examples of copper and wheat in Figures 8.1 and 8.2 are typical of all natural resources.

This process is counterintuitive. Here is a brief description of the process that brings it about: (1) An immigrant-swelled increased population leads to greater use of natural resources than otherwise. (2) Prices of raw materials then rise. (3) The price rise and the resultant fear about scarcity impel individuals to seek new lodes of raw materials, new production technologies, and new substitutes for the resources. (4) Eventually the price of the service or the resource in question—for example, the price of energy whether produced from wood, coal, oil, or nuclear power—falls lower than it was before the temporary scarcity began. This process requires some time and is quite indirect. Yet this process has been the mainspring of economic progress for 5,000 years.

In short, increased demand eventually leads to supplies greater than would have existed otherwise, rather than to the scarcity that simple Malthusian theory expects.

This process even applies to land. Increased agricultural productivity has led to much former farmland no longer being profitable to farm, with resulting increases in forest and recreational

Figure 8.1
The Scarcity of Copper as Measured by Its Prices Relative to Wages and the Consumer Price Index

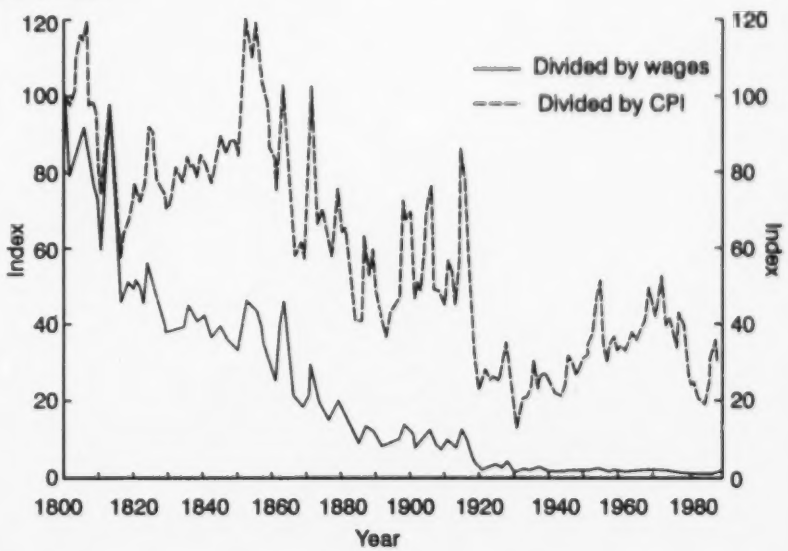
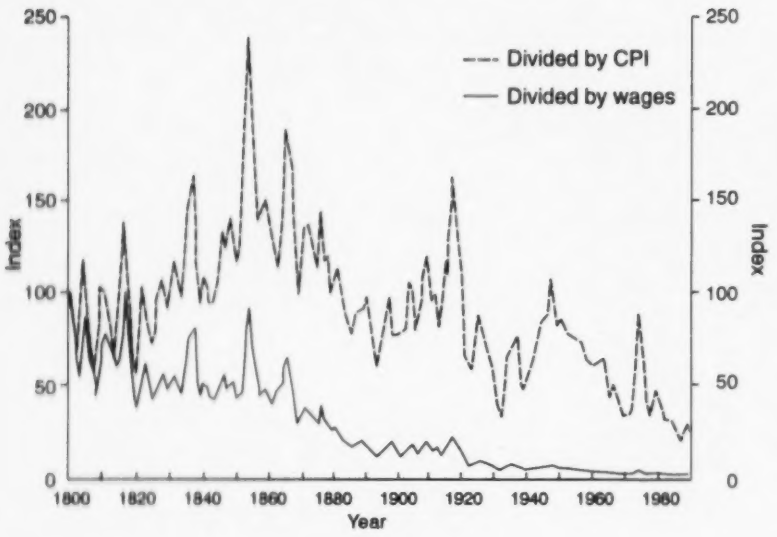


Figure 8.2
Wheat Prices Indexed by Wages and CPI



areas, especially in the South and in the Northeast.

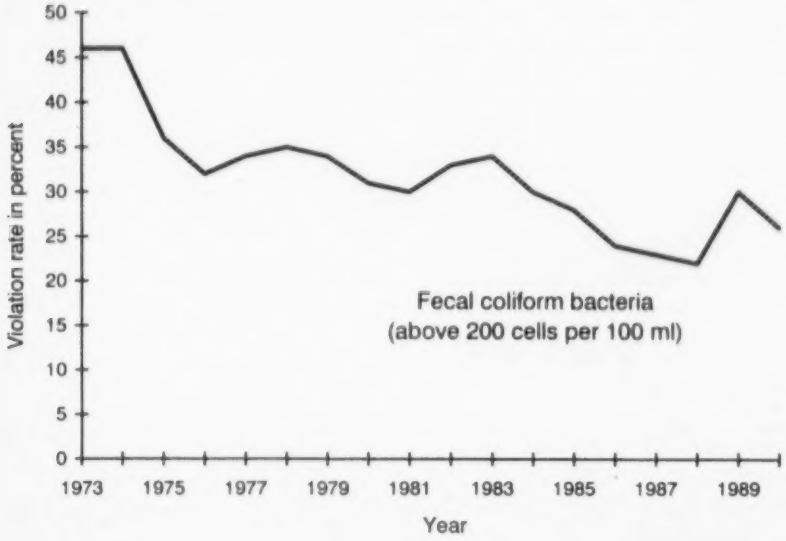
Cleanliness of the Environment

The basic trends in U.S. environmental quality are positive, accompanying (though not necessarily caused by) increases in population. The cleanliness of the water we drink in the United States has been improving in past decades by every reasonable measure of quantity and purity (see Figure 8.3). The air, too, has been getting less polluted (see Figures 8.4 and 8.5).

So the weight of the evidence suggests that, though additional people cause more pollution in the short run, in the long run additional people lead to less pollution, strange as that may sound at first to the noneconomist.

Most laypersons will read these statements with a mixture of amazement and disbelief; no short presentation of the evidence can be convincing. I again refer you to my book, *The Ultimate Resource*, which devotes a good deal of attention to this topic, or to an edited volume (Simon 1995), which devotes several chapters to it. Or you may examine the latest issue of the Annual Report of the Council on Environmental Quality, where you will find ample official documentation of these propositions. This may be especially convincing because the CEQ has long emphasized deteriorating trends rather than improving ones.

Figure 8.3
National Ambient Water Quality in Rivers and Streams, 1973–1990

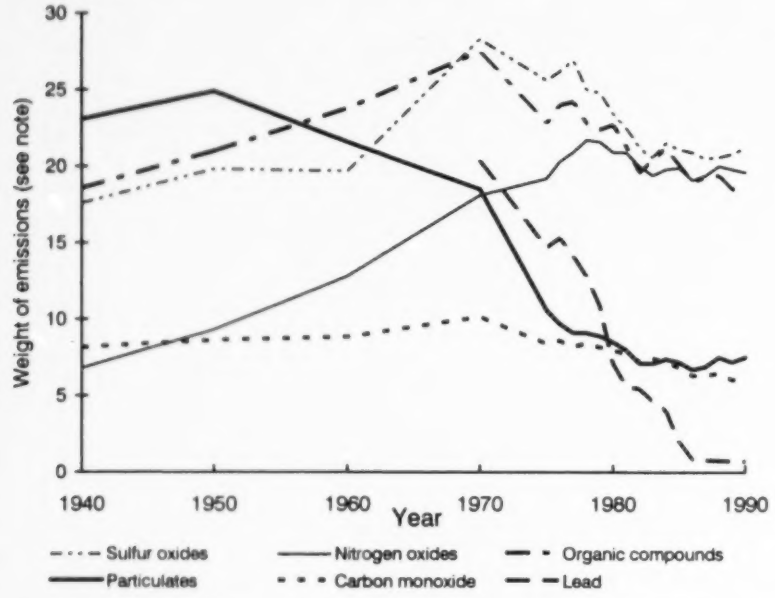


Source: *Statistical Abstract of the United States*, various issues.

Conclusion

As population size and average income have increased in the United States, the supplies of natural resources and the cleanliness of the environment have improved rather than deteriorated. These data do not by themselves prove a causal connection. But they offer *very* strong evidence that there is not a causal connection in the *other* direction: more people do not imply deterioration.

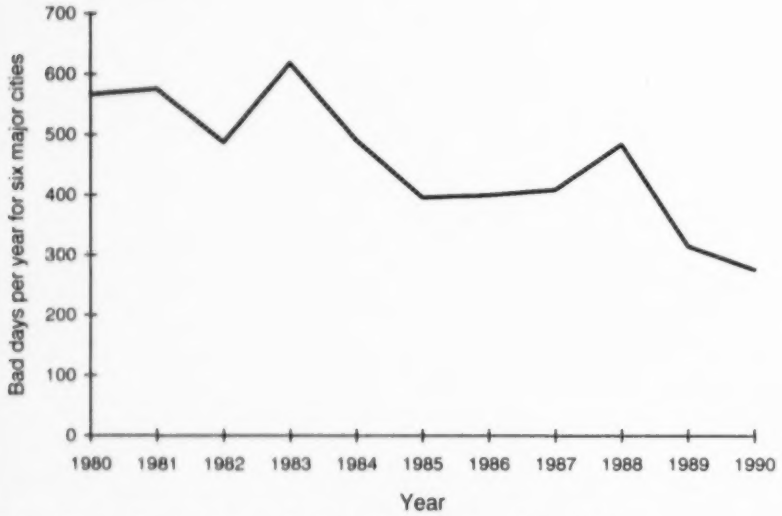
Figure 8.4
Emissions of Major Air Pollutants in the United States



* In millions of metric tons per year, except lead in 10 thousands of metric tons per year, and carbon monoxide in 10 million metric tons per year.

Source: Council on Environmental Quality, Environmental Quality, 22nd Annual Report, 1992, p. 273.

Figure 8.5
Air Quality Trends in U.S. Urban Areas (number of pollutant standard index days greater than 100)



Source: Council on Environmental Quality, Environmental Quality, 22nd Annual Report, 1992, p. 277.

9. *Public Opinion about Immigration*

When interviewed by public opinion polls, Americans have always been against more immigration. This is the finding of R. Simon's review of the national U.S. surveys that included questions about immigration, from the earliest polls in the 1930s through 1993—mainly Gallup, NORC, and Harris surveys. Though the strength of the sentiment has varied, at all times the responses seem to indicate that Americans have not favored increased immigration *as a general matter* (see Figure 9.1). Fairly typical was a 1977 Gallup poll which asked, "Should immigration be kept at its present level, increased or decreased?" Seven percent said "Increased," 37 percent said "Present level," and 42 percent said "Decreased," with 14 percent "No opinion" (R. Simon 1985, 41).

Content analysis of writings about immigrants in magazines over the past century well before the first polls—in the 19th century and even earlier—and continuing into the 20th century shows that the same viewpoint has been popularly expressed in all periods. R. Simon characterizes American public opinion throughout the century as, "The people who came here in earlier times were good folks, but the people who are coming now are purely scum" (see also Douglas 1919).

A different impression emerges from a different sort of question, however. Americans have positive feelings toward the immigrants *in their own areas* and toward the immigrants they know personally. The comparison between the results of the two inquiries can be seen clearly in a 1978 poll about Vietnamese immigrants. When asked, "Thinking now about the Indochinese refugees, the so-called 'boat people'; would you favor or oppose the United States relaxing its immigration policies so that many of these people could come to live in the United States?", 32 percent were in favor, 57 percent were opposed, with 11 percent no opinion. But when asked, "Would you, yourself, like to see some of these people come to live in this community or not?", 48 percent said "yes," 40 percent said "no," with 13 percent no opinion. There is an interesting split in thought here, with the greater voiced opposition apparently being based upon abstract belief formed by the mass media, and the greater voiced support coming from personal experience with immigrants (R. Simon 1985, 42).

Another indication of lack of consistency in public thinking about immigration is the fact that people look back toward prior waves of immigration with more positive feelings than they have toward the present wave, whenever "present" is, as noted above, according to R. Simon's content analysis.

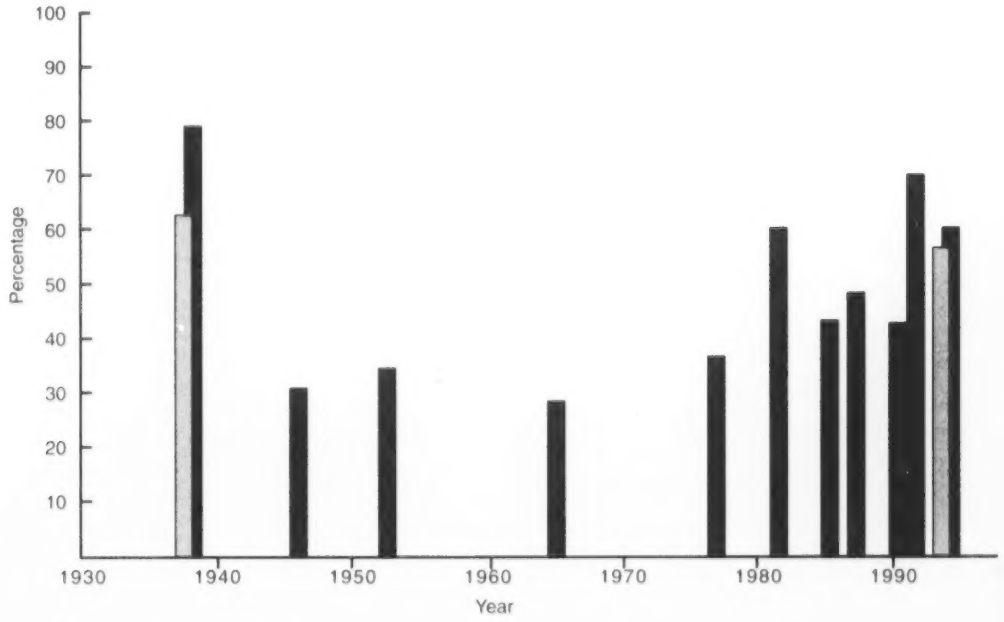
There is widespread opinion among Americans that "most immigrants wind up on welfare" (47 percent, according to a 1986 poll; *New York Times*, July 14, 1986, 1).

Forty-nine percent of respondents said that "[m]ost recent immigrants are here illegally" (*New York Times*/CBS News poll, June 1986).

Eminent Economists' Opinions

In a poll of eminent economists conducted by Stephen Moore and me in the mid-1980s (see Simon 1989, Appendix C), with update by Moore in 1990, we found agreement that immigration had (and has now) a positive effect upon the economic condition of the United States; Moore found comparable results in a 1989 poll, too. Included in the surveys were 38 persons who had been president of the American Economic Association, as well as those who had been members of the President's Council of Economic Advisers. In answer to the question, "On balance, what effect has twentieth-century immigration had on the nation's economic growth?", 81 percent answered "Very favorable" and 19

Figure 9.1
U.S. Public Favoring Less Immigration



Source: R. Simon and Alexander, 1993, p. 41.

percent answered "Slightly favorable." (See below.) None of these top economists said that immigration was "slightly" or "very unfavorable" or felt that he or she did not know enough to answer. This extraordinary consensus belies the public picture of the economic profession as being on both sides of all important matters.

The top economists also are willing to extend their backward assessment into a forward-looking policy judgment. When asked, "What level of immigration would have the most favorable impact on the U. S. standard of living?", 56 percent said "more," 33 percent said "same number," and none said "fewer." Only 11 percent said "don't know."

Survey of Top Economists

These are the full poll results:

On balance, what effect has 20th-century immigration had on the nation's economic growth?

	Economists (percent)
Very favorable	80
Slightly favorable	20
Slightly unfavorable	—
Very unfavorable	—
Don't know	—

What level of immigration would have the most favorable impact on the U.S. standard of living?

	Economists (percent)
More	63
Same number	30
Fewer	0
Don't know	7

Do you feel that recent immigrants are qualitatively different in economic terms than immigrants in past years?

	Economists (percent)
More negative impact	11
About the same impact	76
More positive impact	4
Don't know	9

What impact does *illegal* immigration in its current magnitude have on the U.S. economy?

	Economists (percent)
Illegals have a positive impact	74
Illegals have a neutral impact	11
Illegals have a negative impact	11
Don't know	4

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